

Annual Comprehensive Financial Report

of the

City of Rahway School District

County of Union

Rahway, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**City of Rahway School District
Business Office**

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INTRODUCTORY SECTION



Albert Di Giorgio
Interim Business Administrator/Board Secretary
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February 8, 2024

Honorable President and
Members of the Board of Education
Rahway Public Schools
County of Union, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Rahway Public Schools (District) for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The financial section also includes Management's Discussion and Analysis, which is an overview of the District's current financial status and future outlook. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES:

The Rahway Public Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by National Council on Governmental Accounting (NCGA) Statement No. 3. The Rahway Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education programs. Enrollment appears to be stabilizing after the disruptions during the global pandemic.

1. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets are protected from loss, theft, or misuse and to ensure statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

2. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2023.

3. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

4. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

5. RISK MANAGEMENT:

The District is a member of the New Jersey School Insurance Group (the "NJSIG"). The Fund is a risk-sharing public entity pool established for the purpose of insuring against workers' compensation claims, general liability, property and vehicle insurance.

6. OTHER INFORMATION:


State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's finance committee selected the accounting firm of Suplee, Clooney & Company. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act as amended and the related Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements is included in the financial section of this report.


The auditor's reports related specifically to the single audit are included in the single audit section of this report.

7. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Rahway Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our administrative, financial, accounting, and secretarial staffs.

Respectfully submitted,


Aleya Shoieb
Superintendent of Schools


Albert Di Giorgio
Interim Board Secretary/Business Administrator

RAHWAY BOARD OF EDUCATION

RAHWAY, NJ

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>Board Members</u>	<u>Term Expires</u>
Ms. Najah Allen	2024
Mr. Carlos Garay	2023
Mrs. Laura Giacobbe	2025
Mr. Timothy Antisz	2025
Ms. Jennifer Moteiro	2023
Mrs. Shanna Raysick	2024
Mr. Bernard Robson	2024
Mr. Joseph Toma	2025
Mr. Sean White	2023

Other Officials

Dr. Patricia Camp, Superintendent of Schools

Mr. Stephen Fried, Business Administrator/Board Secretary

Mr. Mark Tabakin, Esq.

RAHWAY BOARD OF EDUCATION

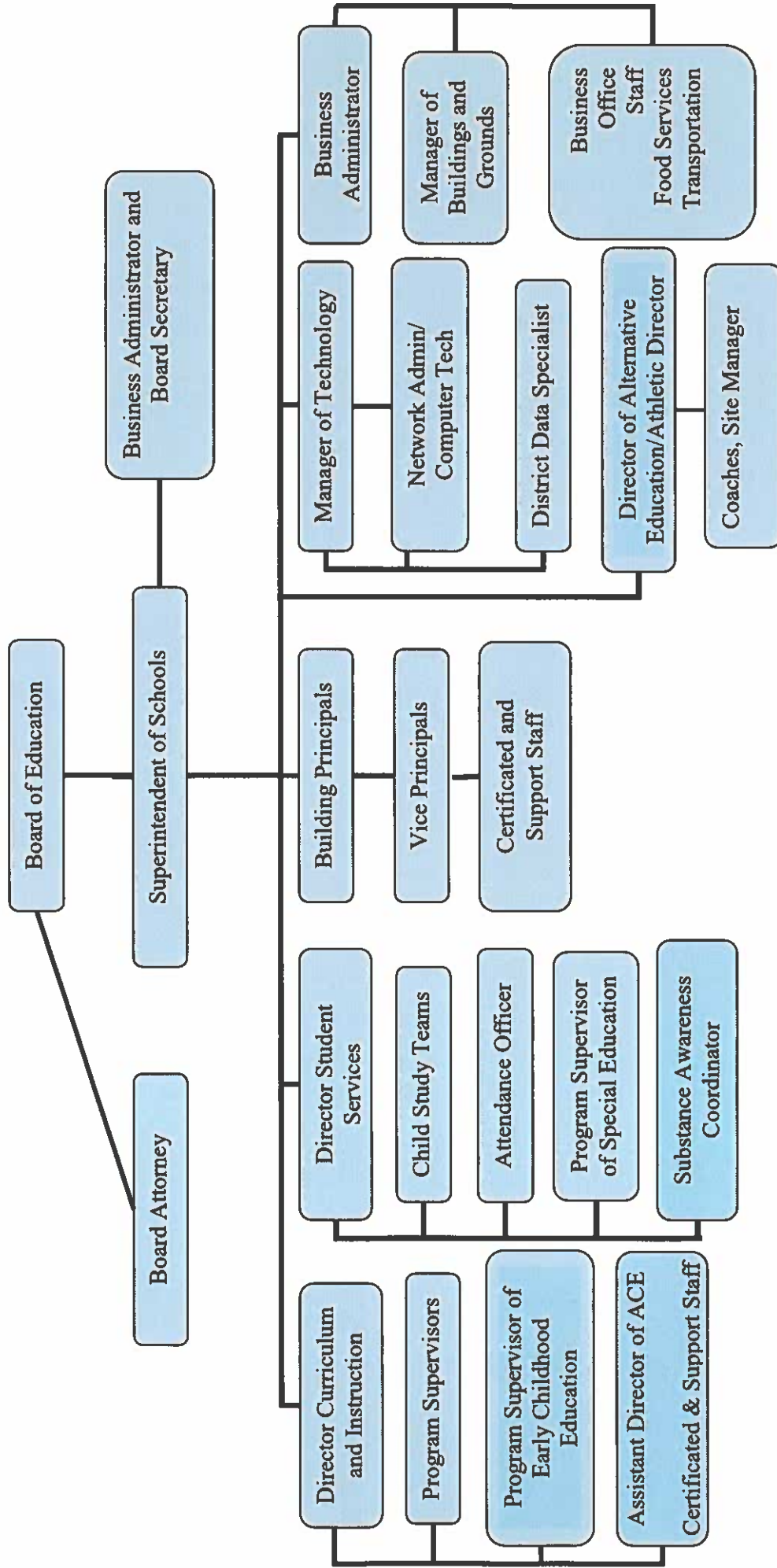
**RAHWAY, NJ
CONSULTANTS AND ADVISORS**

Audit Firm
Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090

Attorney
Weiner Law Group
629 Parsippany Road
Parsippany, NJ 07054

Official Depository
Bank of America, Wells Fargo Bank, Columbia Bank, TD Bank, Northfield Bank, Bank
of New York, Beneficial Bank, JP Morgan Chase, NJARM, and State of New Jersey
Cash Management Fund

Exhibit: Organizational Chart



Adopted: August 31, 2010
 Revised: September 17, 2013
 NJSBA Review/Update: May 2016
 Readopted: December 20, 2016
 Readopted: May 21, 2019

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
City of Rahway School District
County of Union
Rahway, New Jersey 07065

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Rahway School District, in the County of Union, State of New Jersey (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

SUPLEE, CLOONEY & COMPANY LLC

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2023, the District adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

SUPLEE, CLOONEY & COMPANY LLC

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

SUPLEE, CLOONEY & COMPANY LLC

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 8, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

February 8, 2024

REQUIRED SUPPLEMENTARY INFORMATION – Part I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

CITY OF RAHWAY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

The discussion and analysis of the City of Rahway School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments* issued in June 1999. Certain comparative information between the current fiscal year (2022-2023) and the prior fiscal year (2021-2022) is required to be presented in the MD&A. In fiscal year 2023 the District implemented GASB Statement No. 96-SBITA's Subscription Based Information Technology Arrangements.

Financial Highlights

Key financial highlights for 2023 are as follows:

- The state continues to delay the final two state aid payments into the subsequent budget year. Therefore, the final two payments were not reflected on the GAAP basis financial statements for the 2022/2023 school year. The amount of the deferred state aid payments, which were received in July 2023, is \$3,976,595.00.
- General revenues accounted for \$84,341,748.30 or 77% of all revenues. Program specific revenues in the form of charges for services and operating/capital grants and contributions accounted for \$25,537,920.89 or 23% of all revenues.
- The District had \$101,546,645.71 in expenses; \$25,537,920.89 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$84,341,748.30 were adequate to provide for these programs.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

CITY OF RAHWAY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 UNAUDITED

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds. In the case of the district, the General Fund is by far the most significant fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?". The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

- **Government Activities** – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, student transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service program is reported a business activity.

CITY OF RAHWAY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund Financial reports provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities. These statements closely resemble financial statements of a private sector business entity.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole.

CITY OF RAHWAY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Table 1 provides a comparative summary of the District's net position for 2023 and 2022.

	Table 1	
	Net Position	
	<u>2023</u>	(As restated) <u>2022</u>
Assets		
Current and Other Assets	\$ 57,111,922.14	\$ 59,101,164.12
Capital Assets	59,367,079.29	52,499,068.21
Total Assets	<u>116,479,001.43</u>	<u>111,600,232.33</u>
Deferred Outflows	<u>1,969,049.00</u>	<u>1,592,078.00</u>
Liabilities		
Other Liabilities	8,397,630.71	6,968,079.54
Long-Term Liabilities	<u>60,663,618.00</u>	<u>60,195,925.50</u>
Total Liabilities	<u>69,061,248.71</u>	<u>67,164,005.04</u>
Deferred Outflows	<u>2,055,018.00</u>	<u>5,711,407.00</u>
Net Position		
Net Investment in Capital Assets	10,917,024.29	1,237,169.16
Restricted	48,375,962.82	50,795,908.24
Unrestricted (Deficit)	<u>(11,961,203.39)</u>	<u>(13,034,317.16)</u>
Total Net Position	<u>\$ 47,331,783.72</u>	<u>\$ 38,998,760.24</u>

The District's combined net position was \$47,331,783.72 on June 30, 2023. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

CITY OF RAHWAY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Table 2 shows changes in net position for fiscal years 2023 and 2022.

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues		
Charges for Services	\$ 1,216,881.89	\$ 443,494.56
Operating Grants and Contributions	24,321,039.00	26,179,072.39
General Revenues:		
Property Taxes	47,860,010.00	46,594,889.00
Grants and Entitlements	34,794,457.51	31,605,109.92
Other	<u>1,687,280.79</u>	<u>452,566.11</u>
	<u>109,879,669.19</u>	<u>105,275,131.98</u>
Program Expenses		
Instruction	59,346,094.32	58,769,781.94
Support Services:		
Student and Instruction Related	16,603,443.49	15,810,861.14
School Administration	5,304,253.97	5,964,863.03
General/Central/Adm. Of Technology	2,894,544.39	2,502,559.13
Maintenance of Facilities	4,978,159.34	4,680,021.65
Student Transportation	6,216,595.65	5,236,117.24
Business Type Activities	2,723,343.06	2,453,666.75
Other	<u>3,480,211.49</u>	<u>3,064,508.97</u>
Total Expenses	<u>101,546,645.71</u>	<u>98,482,379.85</u>
Increase in Net Positions	\$ <u>8,333,023.48</u>	\$ <u>6,792,752.13</u>

Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF pension contribution as a revenue and as an expense based upon the State's Actuarial report.

CITY OF RAHWAY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Governmental Activities

Property taxes made up 45 percent of revenues for governmental activities in the District. There was a \$1,265,121.00 increase in property taxes or 3.0% from the prior year. The District's total revenues were \$106,989,904.57 for the year ended June 30, 2023.

Instruction comprises 58 percent of district expenses. Support services make up 35 percent of the district expenses and other services and expenses make up 7 percent.

Business-Type Activities

Revenues for the District's business-type activities were comprised of charges for services and operating grants and contributions in the food service program. The Board of Education continues to work to increase sales in the program and reduce operating costs. The cafeterias located in each school building offer flexibility in food selection, menu offerings and pricing that meets the needs of the students. The following are some of our major business type activity results.

- Business type revenues exceeded expenses by \$166,421.56.
- Revenues consist of \$821,152.74 in operating revenue from charges for services and \$1,970,574.38 from grants and contributions.

The Statement of Activities shows the cost of program services and the charges offsetting those costs.

CITY OF RAHWAY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted federal and state entitlements.

Table 3
Net Cost of Services

	Total Cost of <u>Services 2023</u>	Total Cost of <u>Services 2022</u>	Net Cost of <u>Services 2023</u>	Net Cost of <u>Services 2022</u>
Instruction	\$ 59,346,094.32	\$ 58,769,781.94	\$ 46,423,578.83	\$ 43,193,697.49
Support Services:				
Student and Instruction Related	16,603,443.49	15,810,861.14	9,012,340.62	10,123,403.98
General Administration, School & Central Administration	8,198,798.36	8,467,422.16	7,247,177.95	6,892,251.78
Maintenance of Facilities	4,978,159.34	4,680,021.65	4,978,159.34	4,680,021.56
Student Transportation	6,216,595.65	5,236,117.24	5,300,174.65	4,319,696.24
Business Type Activities	2,723,343.06	2,453,666.75	(68,384.06)	(413,767.21)
Other	<u>3,480,211.49</u>	<u>3,064,508.97</u>	<u>3,115,677.49</u>	<u>3,064,508.97</u>
Total Expenses	<u>\$ 101,546,645.71</u>	<u>\$ 98,482,379.85</u>	<u>\$ 76,008,724.82</u>	<u>\$ 71,859,812.81</u>

Instruction expenses include activities directly dealing with the teaching of students and the interaction between teacher and student, including extracurricular activities. Tuition paid to other schools for regular and special education students is also included here.

Students and instruction related include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and central services include expenses associated with administrative and financial management of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings and equipment in an effective operating condition.

Student transportation includes activities with the conveyance of special education students to and from school, school activities and athletic events, as provided by state law.

"Other" includes unallocated depreciation and interest on long term debt.

Business-Type activities include activities in the food service program.

CITY OF RAHWAY SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Excluding the capital projects fund, total revenues amounted to \$112,509,385.64 and expenditures were \$107,569,056.38.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management, which required significant budget adjustments to contend with state aid reductions. The following schedules present a summary of the revenues of the governmental funds, excluding the capital projects fund, for the fiscal year ended June 30, 2023, and the amount and percentage of increase or decrease in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/(Decrease) from FY 2022</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 49,714,192.82	44.19%	\$ 2,309,535.62	4.87%
State Sources	57,215,181.80	50.85%	3,945,477.47	7.41%
Federal Sources	5,580,011.02	4.96%	1,715,624.78	44.40%
Total	\$ 112,509,385.64	100.00%	\$ 7,970,637.87	7.62%

The following schedule represents a summary of the governmental funds expenditures, excluding the capital projects fund, for the fiscal year ended June 30, 2023, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/(Decrease) from FY 2022</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 35,402,636.74	32.91%	\$ 889,302.87	2.58%
Support Services	67,337,392.92	62.60%	5,061,921.11	8.13%
Capital Outlay	2,138,333.80	1.99%	1,699,869.60	387.69%
Debt Service	2,690,692.92	2.50%	846,892.92	45.93%
Total	\$ 107,569,056.38	100.00%	\$ 8,497,986.50	8.58%

CITY OF RAHWAY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the Board of Education, when appropriate, approved budget transfers to keep accounts in balance. Transfers to the budget were made to accurately reflect expenditures according to state guidelines and prevent over-expenditures in specific line item accounts. These revisions bear notation:

- TPAF, which is the State's contribution to the pension fund, post-retirement benefits and the employer's share of FICA costs, is neither a revenue or expenditure item in the budget; however, the School District is required to present this information in the revenue and expenditure sections of the report.

Debt Administration

At June 30, 2023, the District had \$60,849,439.00 of outstanding long-term liabilities. Of this amount, \$1,499,752.00 is for compensated absences, \$10,713,811.00 of net pension liability and \$48,635,876.00 of serial bonds and unamortized premium on bonds for school construction.

Capital Assets

At the end of the fiscal year 2023, the District had a net of \$59,367,079.29 invested in land, building and building improvements, and machinery and equipment. Table 4 shows fiscal year 2023 balances compared to 2022.

Table 4
Capital Assets (Net of Depreciation)

	<u>2023</u>	<u>(As Restated)</u> <u>2022</u>
Governmental Activities Capital Assets, Net of Depreciaton		
Land	\$ 1,546,445.00	\$ 1,546,445.00
Construction in Progress	12,796,904.29	4,186,460.96
Building and Building Improvements	41,620,084.00	43,632,320.00
Machinery and Equipment	<u>3,029,618.00</u>	<u>1,409,601.20</u>
Total Governmental Activities Capital Assets, Net	<u>58,993,051.29</u>	<u>50,774,827.16</u>
Business Type Activites Capital Assets, Net of Depreciation		
Machinery and Equipment	<u>374,028.00</u>	<u>404,103.00</u>
Total Business Type Activities Capital Assets, Net	<u>374,028.00</u>	<u>404,103.00</u>
Total Capital Assets, Net	<u>\$ 59,367,079.29</u>	<u>\$ 51,178,930.16</u>

CITY OF RAHWAY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Overall net capital assets increased by \$8,188,149.13 from fiscal year 2022 to fiscal year 2023.

For the Future

Everyone associated with the Rahway School District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of high inflation and anticipated flat state aid support, means an ever-increasing reliance on local property taxes.

The Rahway School District has committed itself to financial and educational excellence. Its system for financial planning, budgeting and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

In the 2019-20 school year, the Rahway School District embarked on a referendum which included a one to one initiative for grade six to twelve students, much needed replacement of sections of roof at each school, boilers, fire system upgrade, security camera system expansion, replacement of windows and doors, as well as select classroom rehabilitation projects at each school. The district is three years into this multi-year process, and is greatly appreciative to the community for its commitment and support.

Contacting the School District's Financial Management Office

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact the Business Administrator/Board Secretary, Rahway Board of Education, 1138 Kline Place, Rahway, NJ 07065. Also, please visit our website to learn more about our School District.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2023.

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

CITY OF RAHWAY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$31,210,605.92	\$886,263.23	\$32,096,869.15
Receivables, net	6,891,903.64	252,890.36	7,144,794.00
Inventory		35,438.13	35,438.13
Restricted assets:			
Restricted cash and cash equivalents	17,834,820.86		17,834,820.86
Capital assets:			
Capital assets not being depreciated	14,343,349.29		14,343,349.29
Other capital assets, net	44,649,702.00	374,028.00	45,023,730.00
Total assets	<u>114,930,381.71</u>	<u>1,548,619.72</u>	<u>116,479,001.43</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	1,969,049.00		1,969,049.00
Total Deferred Outflows of Resources	<u>1,969,049.00</u>		<u>1,969,049.00</u>
LIABILITIES			
Accounts payable	2,579,493.82	31,753.21	2,611,247.03
Payable to state government	4,069.00		4,069.00
Interfunds payable		22,267.53	22,267.53
Payroll deductions payable	901,260.19		901,260.19
Unemployment insurance payable	145.08		145.08
Unearned revenue	4,269,779.13	36,329.21	4,306,108.34
Accrued interest payable	552,533.54		552,533.54
Noncurrent liabilities:			
Due within one year	2,833,115.00		2,833,115.00
Due beyond one year:			
Net pension liability	10,713,811.00		10,713,811.00
Compensated absences payable	1,499,752.00		1,499,752.00
Bonds payable	45,616,940.00		45,616,940.00
Total liabilities	<u>68,970,898.76</u>	<u>90,349.95</u>	<u>69,061,248.71</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to loss from debt refunding	185,821.00		185,821.00
Related to pensions	1,869,197.00		1,869,197.00
Total Deferred Inflows of Resources	<u>2,055,018.00</u>		<u>2,055,018.00</u>
NET POSITION			
Net investment in capital assets	10,542,996.29	374,028.00	10,917,024.29
Restricted for:			
Special Revenue fund (Deficit)	(20,659.06)		(20,659.06)
Capital projects fund	45,100,928.41		45,100,928.41
Other purposes	3,295,693.47		3,295,693.47
Unrestricted (deficit)	<u>(13,045,445.16)</u>	<u>1,084,241.77</u>	<u>(11,961,203.39)</u>
Total net position	<u>\$45,873,513.95</u>	<u>\$1,458,269.77</u>	<u>\$47,331,783.72</u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF RAHWAY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2023

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Governmental Activities:								
Instruction:								
Regular	\$24,023,769.48	\$10,938,465.58		\$8,679,979.58	(\$26,282,255.48)			(\$26,282,255.48)
Special education	14,405,921.33	4,111,711.87		3,287,941.03	(15,249,692.17)			(15,249,692.17)
Other	4,005,940.23	1,860,285.83		974,594.88	(4,891,631.18)			(4,891,631.18)
Support services:			\$395,729.15	7,195,373.72	(9,012,340.62)			(9,012,340.62)
Student and instruction related services	13,382,769.80	3,220,673.69			(1,357,489.41)			(1,357,489.41)
General administrative services	1,298,137.13	59,352.28			(4,352,633.56)			(4,352,633.56)
School administrative services	3,476,253.32	1,828,000.65		951,620.41	(567,562.31)			(567,562.31)
Central services	630,218.70	(62,656.39)			(969,492.67)			(969,492.67)
Administration information technology	1,035,482.23	(65,989.56)			(4,978,159.34)			(4,978,159.34)
Plant operations and maintenance	5,236,402.24	(258,242.90)		916,421.00	(5,300,174.65)			(5,300,174.65)
Student transportation services	6,230,173.31	(13,577.66)			(2,199,170.00)			(2,199,170.00)
Unallocated benefits	21,325,235.39	(21,325,235.39)			(916,507.49)			(916,507.49)
Unallocated Depreciation	2,491,958.00	(292,788.00)			(76,077,108.88)			(76,077,108.88)
Interest on long term debt	1,281,041.49		395,729.15	364,534.00				
Total governmental activities	98,823,302.65			22,350,484.62				
Business-type activities:								
Food service	2,723,343.06		821,152.74	1,970,574.38		\$88,384.06		88,384.06
Total business-type activities	2,723,343.06		821,152.74	1,970,574.38		88,384.06		88,384.06
Total primary government	\$101,546,645.71		\$1,216,881.89	\$24,321,059.00	(\$76,077,108.88)	\$88,384.06		(\$76,008,724.82)
General Revenues:								
Taxes:								
Property taxes - general					\$45,692,613.00			\$45,692,613.00
Property taxes - debt service					2,167,397.00			2,167,397.00
Federal and state aid not restricted					34,794,457.51			34,794,457.51
Miscellaneous income					1,589,243.29	\$98,037.50		1,687,280.79
Total general revenues					84,243,710.80	98,037.50		84,341,748.30
Change in net position					8,166,601.92	166,421.56		8,333,023.48
Net Position - beginning (As Restated)					37,706,912.03	1,291,848.21		38,998,760.24
Net Position ending					\$45,873,513.95	\$1,458,269.77		\$47,331,783.72

The accompanying notes to the financial statements are an integral part of this statement.

MAJOR FUND FINANCIAL STATEMENTS

The Individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

CITY OF RAHWAY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

ASSETS AND OTHER DEBITS:	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Assets:					
Cash and cash equivalents	\$2,270,348.85	\$572,635.63	28,367,621.20	\$0.24	\$31,210,605.92
Restricted cash and cash equivalents:					
Capital reserve	16,959,152.86				16,959,152.86
Maintenance reserve	875,668.00				875,668.00
Accounts receivable:					
State	1,124,866.69				1,124,866.69
Federal		4,244,767.42			4,244,767.42
Taxes	1,500,002.00				1,500,002.00
Interfund	502,446.11			5,544.34	507,990.45
Total assets	23,232,484.51	4,817,403.05	28,367,621.20	5,544.58	56,423,053.34
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	1,320,993.11	163,619.56	140,717.15		1,625,329.82
Intergovernmental payable- state		4,069.00			4,069.00
Interfunds payable		418,392.58	67,330.34		485,722.92
Payroll deductions payable	901,260.19				901,260.19
Unemployment payable	145.08				145.08
Unearned revenue		4,251,980.97	17,798.16		4,269,779.13
Total liabilities	2,222,398.38	4,838,062.11	225,845.65		7,286,306.14
Fund balances:					
Restricted for:					
Capital reserve account	16,959,152.86				16,959,152.86
Maintenance reserve account	875,668.00				875,668.00
Excess surplus designated for subsequent years expenditures	1,800,000.00				1,800,000.00
Excess surplus - current year	246,773.60				246,773.60
Semi supplemental designated for subsequent years expenditures	37,366.53				37,366.53
Capital projects fund			10,331,603.64		10,331,603.64
Debt service fund				5,544.58	5,544.58
Unemployment compensation	335,885.34				335,885.34
Student activities		326,331.88			326,331.88
Scholarships		171,614.06			171,614.06
Assigned for year-end encumbrances	755,239.80				755,239.80
Committed for:					
Year-end encumbrances			17,810,171.91		17,810,171.91
Unassigned:					
Special revenue fund (deficit)		(518,605.00)			(518,605.00)
Total fund balances	21,010,086.13	(20,659.06)	28,141,775.55	5,544.58	49,136,747.20
Total liabilities and fund balances	\$23,232,484.51	\$4,817,403.05	\$28,367,621.20	\$5,544.58	\$56,423,053.34

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF RAHWAY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
JUNE 30, 2023

Total Fund Balances (Brought Forward)		\$49,136,747.20
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$98,894,921.29	
Accumulated Depreciation	<u>(39,901,870.00)</u>	58,993,051.29
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net pension liability	(10,713,811.00)	
Compensated absences payable	(1,499,752.00)	
Serial bonds payable	(\$48,089,000.00)	
Premium on refunding debt, net	(546,876.00)	
Unamortized Deferred Amount on Refunding Bonds, net	<u>185,821.00</u>	
	<u>(48,450,055.00)</u>	(60,663,618.00)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related		1,969,049.00
Deferred Inflows:		
Pension related		(2,055,018.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension related	(954,164.00)	
Accrued Interest Payable	<u>(552,533.54)</u>	
		<u>(1,506,697.54)</u>
Net Position of Governmental Activities		<u>\$45,873,513.95</u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF RAHWAY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$45,692,613.00			\$2,167,397.00	\$47,860,010.00
Tuition- other lea's	4,198.49				4,198.49
Miscellaneous- unrestricted	1,418,006.67		\$788.79		1,418,795.46
Miscellaneous- restricted	2,543.34	\$429,434.32			431,977.66
Total revenues-local sources	47,117,361.50	429,434.32	788.79	2,167,397.00	49,714,981.61
State sources	52,672,790.05	4,177,857.75	31,293.14	364,534.00	57,246,474.94
Federal sources	285,750.37	5,294,260.65			5,580,011.02
Total revenues	100,075,901.92	9,901,552.72	32,081.93	2,531,931.00	112,541,467.57
EXPENDITURES:					
Current expense:					
Instruction:					
Regular	20,400,631.32	2,898,157.60			23,298,788.92
Special education	7,234,424.12	1,097,114.47			8,331,538.59
Other instruction	3,772,309.23				3,772,309.23
Support services:					
Tuition	7,032,994.30				7,032,994.30
Student and instruction related services	8,792,299.87	4,551,874.93			13,344,174.80
General administrative services	1,298,137.13				1,298,137.13
School administrative services	3,476,253.32				3,476,253.32
Central services	630,218.70				630,218.70
Administration information technology	1,035,482.23				1,035,482.23
Plant operations and maintenance	5,236,402.24				5,236,402.24
Student transportation services	6,230,173.31				6,230,173.31
Unallocated benefits	29,053,556.89				29,053,556.89
Capital outlay	224,954.60	1,913,379.20	8,610,443.33		10,748,777.13
Debt service:					
Principal				1,330,000.00	1,330,000.00
Interest				1,360,692.92	1,360,692.92
Total expenditures	94,417,837.26	10,460,526.20	8,610,443.33	2,690,692.92	116,179,499.71
Excess (deficiency) of revenues over (under) expenditures	5,658,064.66	(558,973.48)	(8,578,361.40)	(158,761.92)	(3,638,032.14)
Other financing sources (uses):					
Operating transfer in		549,198.00		788.79	549,986.79
Operating transfer out	(549,198.00)		(788.79)		(549,986.79)
Total financing sources(uses):	(549,198.00)	549,198.00	(788.79)	788.79	
Net change in fund balances	5,108,866.66	(9,775.48)	(8,579,150.19)	(157,973.13)	(3,638,032.14)
Fund balances, July 1, 2022	15,901,219.47	(10,883.58)	36,720,925.74	163,517.71	52,774,779.34
Fund balances, June 30, 2023	\$21,010,086.13	(\$20,659.06)	\$28,141,775.55	\$5,544.58	\$49,136,747.20

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF RAHWAY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds (from B-2) (\$3,638,032.14)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.

Depreciation expense	(\$2,491,958.00)	
Capital outlays	10,748,777.13	
Capital outlays not capitalized	<u>(38,595.00)</u>	8,218,224.13

Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets and is not reported in the statements of activities.

Paid - Principal on bonds	1,330,000.00
---------------------------	--------------

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Original issue premium on refunding bonds (net)	244,115.00
---	------------

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Amortization of deferred amounts on refunding bonds	(80,409.00)
---	-------------

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.

	79,651.43
--	-----------

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	895,255.00	
Add: Pension benefit	<u>795,693.00</u>	1,690,948.00

In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

	<u>322,104.50</u>
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Change in net position of governmental activities	<u>\$8,166,601.92</u>
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OTHER FUNDS

CITY OF RAHWAY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2023

		<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>FOOD SERVICE FUND</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$	886,263.23
Accounts receivable:		
State		3,673.98
Federal		112,151.86
Other		137,064.52
Inventories		35,438.13
		<hr/>
Total current assets	\$	1,174,591.72
Noncurrent assets:		
Furniture, machinery & equipment	\$	728,847.00
Less accumulated depreciation		(354,819.00)
		<hr/>
Total noncurrent assets	\$	374,028.00
		<hr/>
Total assets	\$	1,548,619.72
LIABILITIES:		
Current liabilities:		
Accounts payable	\$	31,753.21
Interfunds payable		22,267.53
Unearned revenue		36,329.21
		<hr/>
Total current liabilities	\$	90,349.95
		<hr/>
Total liabilities	\$	90,349.95
NET POSITION:		
Net Investments in capital assets	\$	374,028.00
Unrestricted		1,084,241.77
		<hr/>
Total net position	\$	1,458,269.77
		<hr/> <hr/>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF RAHWAY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>FOOD SERVICE FUND</u>
OPERATING REVENUES:		
Charges for services:		
Sales-reimbursable	\$	658,560.39
Sales-nonreimbursable		143,220.24
Miscellaneous		19,372.11
		<hr/>
Total operating revenues	\$	821,152.74
OPERATING EXPENSES:		
Cost of sales-reimbursable	\$	854,667.44
Cost of sales-nonreimbursable		435,003.94
Salaries and wages		840,785.95
Employee benefits		235,926.45
Management fee		85,782.14
Supplies		131,832.32
Repairs and other		100,409.82
Depreciation		38,935.00
		<hr/>
Total operating expenses	\$	2,723,343.06
Operating income (loss)	\$	(1,902,190.32)
NONOPERATING REVENUES:		
State sources		
School lunch program	\$	47,381.14
School breakfast program		2,916.90
Federal sources		
School lunch and PB programs		1,355,481.17
School breakfast program		165,953.03
COVID supply chain assistance		175,481.91
National food distribution commodities		223,360.23
Other- ppp reimbursement		98,037.50
		<hr/>
Total nonoperating revenues	\$	2,068,611.88
Net income	\$	166,421.56
Total net position - July 1 (As Restated)		<hr/>
		1,291,848.21
Total net position - June 30	\$	<hr/> <hr/>
		1,458,269.77

The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF RAHWAY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash flows from operating activities:	
Receipts from customers	\$ 709,143.72
Payments to employees	(840,785.95)
Payments to employee benefits	(235,926.45)
Payment to suppliers	<u>(1,707,458.79)</u>
Net cash provided (used for) by operating activities	<u>(2,075,027.47)</u>
Cash flows from noncapital financing activities:	
State sources	51,017.16
Federal sources	2,014,768.72
PPP reimbursement	<u>98,037.50</u>
Net cash provided by (used for) noncapital financing activities	<u>2,163,823.38</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	(8,860.00)
Net cash provided by (used for) capital and related financing activities	<u>(8,860.00)</u>
Net increase (decrease) in cash and cash equivalents	79,935.91
Cash and cash equivalents - July 1	<u>800,790.45</u>
Cash and cash equivalents - June 30	<u>\$ 880,726.36</u>
Operating income (loss)	\$ (1,902,190.32)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	38,935.00
Change in assets and liabilities:	
(Increase) Decrease in Inventory	(8,232.56)
Increase (Decrease) in unearned revenue	12,375.16
(Increase) Decrease in accounts receivable	(130,638.85)
Increase (Decrease) in accounts payable	<u>(85,275.90)</u>
Net income (Loss)	<u>\$ (2,075,027.47)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rahway School District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Reporting Entity

The Rahway School District is a Type II District located in Union County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discreetly presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, middle schools, and a high school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a Statement of Net Positions and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the State to offset the cost of approved capital projects.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds and loans issued to finance major property acquisition, construction, and improvements programs.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Basis of Accounting - Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide and Proprietary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting - Measurement Focus (Continued)

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Account Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 totaled net \$1,321,324.00, representing prior unbudgeted state aids, and other approved modifications. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. In fiscal year 2017, the District implemented GASB 72. The objective of this is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurement. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land Improvements	20
Buildings	40
Building Improvements	20-40
Improvements Other than Buildings	20
Heavy Equipment	10-15
Office Equipment and Furniture	10
Computer Equipment	5

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The District accounts for compensated absences (e.g., unused sick days) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions and contracts.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the food service fund.

Unearned Revenue

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable under generally accepted accounting principles.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Reserves

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

Non-Spendable – includes amounts that cannot be spend because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Unemployment, Student Activities, Debt Service and Excess Surplus as Restricted Fund Balance.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education

Assigned – includes amount that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

Unassigned – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposed for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Revenues Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function in the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately in the Statement of Activities.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the Governmental Fund Financial Statements, the year end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amounts related to pensions. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify in this category, deferred amounts from refunding debt and deferred amounts related to pensions.

Leases

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

Right to Use Assets

Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized in a systematic and rational manner over the life of the related lease.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

Beginning with the year ended June 30, 2023, the District has implemented GASB Statement 96, Subscription-Based Information Technology Arrangements. GASB Statement 96 establishes criteria for accounting and financial reporting for subscription-based information technology arrangements (SBITA's). It (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The District has evaluated the effects of this standard on its financial statements and found it to be immaterial to the financial statement presentation.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The Rahway School District had the following cash and cash equivalents at June 30, 2023:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 52,747,276.94
Proprietary Funds	<u>885,043.23</u>
Total Cash in Bank	<u>53,632,320.17</u>
Less: Reconciling Items	<u>(3,700,630.16)</u>
	<u>\$ 49,931,690.01</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2023, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$53,132,320.17 was covered under the provisions of NJGUDPA.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2023, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance <u>(As Restated)</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance
Governmental Activities:				
Capital assets that are not depreciated				
Land	\$ 1,546,445.00	\$	\$	\$ 1,546,445.00
Construction in progress	<u>4,186,460.96</u>	<u>8,610,443.33</u>	<u></u>	<u>12,796,904.29</u>
Total capital assets that are not depreciated	<u>5,732,905.96</u>	<u>8,610,443.33</u>	<u>-</u>	<u>14,343,349.29</u>
Capital assets being depreciated				
Building and Building Improvements	78,258,420.00	54,005.00		78,312,425.00
Machinery and Equipment	<u>4,193,413.20</u>	<u>2,045,733.80</u>	<u></u>	<u>6,239,147.00</u>
Total capital assets being depreciated	<u>82,451,833.20</u>	<u>2,099,738.80</u>	<u>-</u>	<u>84,551,572.00</u>
Less accumulated depreciation for:				
Building and Building Improvements	(34,626,100.00)	(2,066,241.00)		(36,692,341.00)
Machinery and Equipment	<u>(2,783,812.00)</u>	<u>(425,717.00)</u>	<u></u>	<u>(3,209,529.00)</u>
Total accumulated depreciation	<u>(37,409,912.00)</u>	<u>(2,491,958.00)</u>	<u></u>	<u>(39,901,870.00)</u>
Total capital assets being depreciated, net	<u>45,041,921.20</u>	<u>(392,219.20)</u>	<u>-</u>	<u>44,649,702.00</u>
Governmental activities capital assets, net	<u>\$ 50,774,827.16</u>	<u>\$ 8,218,224.13</u>	<u>\$</u>	<u>\$ 58,993,051.29</u>
Business-Type Activities:				
Machinery and Equipment	\$ 719,987.00	\$ 8,860.00	\$	\$ 728,847.00
Less: accumulated depreciation	<u>(315,884.00)</u>	<u>(38,935.00)</u>	<u></u>	<u>(354,819.00)</u>
Total capital assets being depreciated	<u>\$ 404,103.00</u>	<u>\$ (30,075.00)</u>	<u>\$</u>	<u>\$ 374,028.00</u>

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended June 30, 2023 was as follows:

Depreciation expense for the governmental fund was charged to functional expenses areas of the District as follows:

Instruction:		
Regular	\$	28,040.00
Special Education		13,437.00
Other		20,361.00
Support Services:		
Student and instruction related		39,820.00
General administration		102,628.00
School administration		31,449.00
Plant operations and maintenance		57,703.00
Student transportation		4,250.00
Unallocated		<u>2,194,170.00</u>
	\$	<u><u>2,491,858.00</u></u>

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 4: LONG-TERM LIABILITIES

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2023.

	<u>Balance</u> <u>June 30,2022</u>	<u>Net Change</u>	<u>Balance</u> <u>June 30,2023</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable	\$ 49,419,000.00	\$ (1,330,000.00)	\$ 48,089,000.00	\$ 2,589,000.00
Unamortized Premium on Bonds	790,991.00	(244,115.00)	546,876.00	244,115.00
Compensated Absences	1,821,856.50	(322,104.50)	1,499,752.00	
Net Pension Liability	<u>8,164,078.00</u>	<u>2,549,733.00</u>	<u>10,713,811.00</u>	
	<u>\$ 60,195,925.50</u>	<u>\$ 653,513.50</u>	<u>\$ 60,849,439.00</u>	<u>\$ 2,833,115.00</u>

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2023, the District borrowing capacity under N.J.S.A. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation</u> <u>of Real Property</u>
2022	\$3,524,352,770
2021	3,180,209,841
2020	<u>2,922,453,287</u>
Average equalized valuation of property	<u>\$3,209,005,299</u>
School borrowing margin (4% of above)	<u>\$128,360,212</u>
Net debt applicable to limit June 30, 2023	<u>\$48,089,000</u>
School borrowing power available	<u>\$80,271,212</u>

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2023, including interest payments, are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,589,000.00	\$ 1,227,215.00	\$ 3,816,215.00
2025	2,570,000.00	1,149,075.00	3,719,075.00
2026	2,580,000.00	1,058,075.00	3,638,075.00
2027	2,585,000.00	966,575.00	3,551,575.00
2028	2,595,000.00	874,825.00	3,469,825.00
2029-2033	12,720,000.00	3,154,962.50	15,874,962.50
2034-2038	12,500,000.00	1,752,187.50	14,252,187.50
2039-2042	<u>9,950,000.00</u>	<u>439,812.50</u>	<u>10,389,812.50</u>
	<u>\$ 48,089,000.00</u>	<u>\$ 10,622,727.50</u>	<u>\$ 58,711,727.50</u>

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2013, P.L. 2012, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2013, P.L. 2012, c. 78, new members of TPAF and PERS, hired on or after June 28, 2013, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. As of April 1, 2018 employee contribution rates were increased to 7.50%.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.*, the State of New Jersey makes the employer contribution on behalf of public school districts).

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2023	\$895,255.00	100.00%	\$895,255.00
2022	807,081.00	100.00%	807,081.00
2021	744,738.00	100.00%	744,738.00

During the fiscal years ended June 30, 2023, 2022, and 2021, the State of New Jersey contributed \$11,673,210.00, \$12,128,515.00, and \$8,604,266.00 respectively, excluding post-retirement medical and long-term disability, to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,535,026.05, \$2,440,701.89, and \$2,321,068.00, during the years ended June 30, 2023, 2022, and 2021, respectively, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2023, the District reported a liability of \$10,713,811.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.0709929348 percent, which was an increase of 0.0020774008 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension benefit of \$630,840.00 in the district-wide financial statements. This pension benefit was based on the pension plans June 30, 2022 measurement date.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 77,327.00	\$ 68,192.00
Changes of assumptions	33,195.00	1,604,282.00
Net difference between projected and actual investment earnings on pension plan investments	443,435.00	
Changes in proportion	460,928.00	382,544.00
District contributions subsequent of the measurement date	<u>954,164.00</u>	
	<u>\$ 1,969,049.00</u>	<u>\$ 2,055,018.00</u>

The \$954,164.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		Amount
<u>June 30,</u>		
2023	\$	(903,343.20)
2024		(452,533.20)
2025		(212,660.20)
2026		513,821.80
2027		<u>14,581.80</u>
	\$	<u>(1,040,133.00)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)
Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease		At Current Discount Rate	1% Increase
	<u>6.00%</u>		<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$ 13,764,109.00	\$	10,713,811.00	\$ 8,117,885.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$ 149,892,964</u>
	<u>\$ 149,892,964</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 which was rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was 0.2905216816% which was an increase of 0.0000515507 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$4,034,038.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)
Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases	1.55%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rate

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)
Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.19%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,817</u>

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (Continued)

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2023 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>127,627,255</u>
	<u><u>\$127,627,255</u></u>

The total Non-Employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2023, the District recognized on-behalf post-employment expense and revenue of \$4,990,427 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2022 measurement date. At June 30, 2022, the District's proportion was 0.2519963834 percent, which was an increase of 0.0002450008 from its proportion measured as of June 30, 2021. The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (Continued)

Actuarial Assumptions and Other Inputs

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>June 30, 2022</u> <u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75-4.25%*	2.75-6.55%*	3.25-16.25%*

*- Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Input (Continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2021 to June 30, 2022.

Balance at 6/30/21		\$151,070,091
Changes for the year:		
Service cost	\$7,194,309	
Interest	3,382,263	
Differences between expected and actual experience	3,460,504	
Changes in assumptions or other inputs	(34,237,157)	
Membership Contributions	107,477	
Benefit payments - Net	<u>(3,350,232)</u>	
Net changes		<u>(23,442,836)</u>
Balance at 6/30/22		<u>\$127,627,255</u>

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1.00% <u>Decrease (2.54%)</u>	At Discount Rate (3.54%)	1.00% <u>Increase (4.54%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$150,012,413	\$127,627,255	\$109,686,670

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1.00% <u>Decrease</u>	Healthcare Cost Trend Rate	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$105,491,727	\$127,627,255	\$156,703,615

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 22,786,527	\$ 38,966,077
Changes of assumptions	22,089,047	43,437,345
Changes in proportion	<u>4,302,208</u>	<u>254,028</u>
	<u>\$ 49,177,782</u>	<u>\$ 82,657,450</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

<u>Measurement Period Ended June 30,</u>	<u>Amount</u>
2023	(\$5,533,495)
2024	(\$5,533,495)
2025	(\$5,533,495)
2026	(\$4,672,419)
2027	(\$2,325,076)
Total Thereafter	<u>(\$9,881,688)</u>
	<u>(\$33,479,668)</u>

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

NOTE 8: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 9: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2022-2023 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment Compensation budget appropriation. The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the combined ending balance of the District's Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u> <u>and Interest</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2022-23	\$ 2,543.34	\$	\$ 336,030.42
2021-22	145.08		333,487.08
2020-21	61,127.00	162,510.00	333,342.00

NOTE 11: FUND BALANCE APPROPRIATED

General Fund - Of the \$21,010,086.13 in General Fund Balance at June 30, 2023, \$755,239.80 has been assigned for encumbrances; \$16,959,152.86 has been restricted in the Capital Reserve Account; \$875,668.00 has been restricted in the Maintenance Reserve Account; \$1,800,000.00 has been restricted as excess surplus - subsequent years' expenditures; \$246,773.60 has been restricted as excess surplus resulting from current year operations; \$37,366.53 has been restricted for FFCRA/SEMI designated for subsequent years' expenditures; and \$335,885.34 has been restricted for unemployment reserve.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 12: COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2023, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$1,499,752.00.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the proprietary fund.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 13: CALCULATION OF EXCESS SURPLUS - BUDGETARY BASIS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance resulting from the year ended June 30, 2023 is \$1,800,000.00.

General Fund Expenditures Fiscal Year Ended June 30, 2023	\$94,417,837.26
Increase:	
Transfer from General Fund to SRF for PreK-Inclusion	549,198.00
Less:	
On-Behalf TPAF Pension, PRM, LTD, and Social Security Reimbursement	17,278,955.05
Adjusted General Fund Expenditures	\$77,688,080.21
Excess Surplus Percentage	2.00%
2% of Adjusted 2022-23 General Fund Expenditures	\$1,553,761.60
Add: Allowable Adjustments	351,002.00
Maximum Unreserved/Undesignated Fund Balance	\$1,904,763.60
Total Unassigned/Unrestricted Fund Balance	3,704,763.60
Excess Surplus	\$1,800,000.00

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the Rahway School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The balance remaining in the reserve as of June 30, 2023 is \$16,959,152.86.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 14: CAPITAL RESERVE ACCOUNT (CONTINUED)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$9,261,757.08
Increased(Decreased) by:	
Board Approved Transfer	<u>7,697,395.78</u>
Ending balance, June 30, 2023	<u><u>\$16,959,152.86</u></u>

NOTE 15: MAINTENANCE RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 15: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance, July 1, 2022	
and June 30, 2023	\$875,668.00

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balances sheet at June 30, 2023:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$502,446.11	
Special Revenue Fund		\$418,392.58
Capital Projects Fund		67,330.34
Debt Service Fund	5,544.34	
Food Service Fund	\$507,990.45	22,267.53
	\$507,990.45	\$507,990.45

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 17: INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food, Commodities and Supplies	\$35,438.13
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City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 18: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2023.

NOTE 19: DEFICIT FUND BALANCES / NET POSITION

The District has a deficit fund balance of (\$518,605.00) in the Special Revenue Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, in the current budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the fund balance deficits in the General and Special Revenue Funds do not alone indicate that the District is facing financial difficulties. Pursuant to P.L. 2003, c.97, any negative unreserved, undesignated general fund balance that is reported as a direct result from the delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's deficit in the GAAP funds' statements does not exceed the last state aid payment.

City of Rahway School District
Notes to the Financial Statements
June 30, 2023

NOTE 20: RESTATEMENT

The District made prior year adjustments in the District Wide Financial Statements to correct the value of Capital Assets and Net Assets - Invested in Capital Assets, Net of Related Debt reported in its Business type activities as of June 30, 2022.

	<u>Governmental</u> <u>Activities</u>	<u>Proprietary</u> <u>Activities</u>
Beginning Net Position 06/30/22	\$39,128,593.08	\$1,188,305.21
Adjustments:		
Capital Assets, Net of Accumulated Depreciation	(1,421,681.05)	103,543.00
Beginning Net Position 06/30/22 (As restated)	\$37,706,912.03	\$1,291,848.21

NOTE 21: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through February 8, 2024 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

CITY OF RAHWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	\$ 45,692,613.00	\$	\$ 45,692,613.00	\$ 45,692,613.00	\$
Tuition from other lea's within the state	30,000.00		30,000.00	4,198.49	(25,801.51)
Tuition from individuals				5,053.65	
Unrestricted miscellaneous revenues	125,000.00		125,000.00	1,412,953.02	1,287,953.02
Restricted miscellaneous revenues- unemployment interest				2,543.34	2,543.34
Interest earned on emergency reserve	100.00		100.00	(100.00)	(100.00)
Interest earned on capital reserve	100.00		100.00	(100.00)	(100.00)
Total revenues-local sources	\$ 45,847,813.00	\$	\$ 45,847,813.00	\$ 47,117,361.50	\$ 1,264,494.85
State sources:					
Categorical transportation aid	\$ 916,421.00	\$	\$ 916,421.00	\$ 916,421.00	\$
Extraordinary aid	650,000.00		650,000.00	947,338.00	297,338.00
Categorical special education aid	2,263,445.00		2,263,445.00	2,263,445.00	
Equalization aid	30,657,132.00		30,657,132.00	30,657,132.00	
Categorical security aid	1,032,364.00		1,032,364.00	1,032,364.00	
NP Transportation				53,664.00	53,664.00
On-behalf TPAF pension contributions (non-budgeted)				11,513,474.00	11,513,474.00
On-behalf TPAF NCGI (non-budgeted)				159,736.00	159,736.00
On-behalf TPAF prm contributions (non-budgeted)				3,066,524.00	3,066,524.00
On-behalf TPAF long-term disability insurance (non-budgeted)				4,195.00	4,195.00
Reimbursed TPAF social security cont. (non-budgeted)				2,535,026.05	2,535,026.05
Total - state sources	\$ 35,519,362.00	\$	\$ 35,519,362.00	\$ 53,149,319.05	\$ 17,629,957.05
Federal sources:					
Medicaid Assistance Program - SEMI	\$ 174,348.00	\$	\$ 174,348.00	\$ 217,315.02	\$ 42,967.02
Medicaid Assistance Program - FFCRA				22,267.53	22,267.53
Medicaid Assistance Program - MAC				46,167.82	46,167.82
Total - state sources	\$ 174,348.00	\$	\$ 174,348.00	\$ 285,750.37	\$ 111,402.37
Total revenues	\$ 81,541,523.00	\$	\$ 81,541,523.00	\$ 100,552,430.92	\$ 19,005,854.27

CITY OF RAYWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction					
Kindergarten - salaries of teachers	\$ 1,244,943.00	\$ 10,410.00	\$ 1,255,353.00	\$ 1,124,237.50	\$ 131,115.50
Grades 1-5 salaries of teachers	7,679,340.00	(195,589.00)	7,483,751.00	7,181,348.38	302,402.62
Grades 6-8 salaries of teachers	4,259,256.00	93,124.00	4,352,380.00	4,290,726.23	61,653.77
Grades 9-12 salaries of teachers	6,184,205.00	82,711.00	6,266,916.00	6,100,183.52	166,732.48
Salaries of teachers	25,000.00	40,074.00	65,074.00	63,767.00	1,307.00
Purchased professional education services	25,126.00	16,387.00	41,513.00	41,415.68	97.32
Other salaries for instruction	324,037.00	(7,793.00)	316,244.00	315,794.26	449.74
Purchased professional education services	3,500.00		3,500.00	598.00	2,902.00
Other purchased services (400-500 series)	405,545.00	(7,000.00)	400,364.95	319,488.31	80,876.64
General supplies	1,282,028.00	(2,745.00)	1,480,566.48	829,911.21	650,655.27
Textbooks	50,915.00	(2,375.00)	61,547.32	34,741.30	26,806.02
Other objects	132,050.00	(31,764.00)	100,286.00	98,419.93	1,866.07
Total regular programs - instruction	\$ 21,615,945.00	\$ (4,560.00)	\$ 21,827,495.75	\$ 20,400,631.32	\$ 1,426,864.43
Learning and/or language disabilities					
Salaries of teachers	\$ 227,012.00	\$ 79,830.00	\$ 306,842.00	\$ 306,805.00	\$ 37.00
Other salaries for instruction	95,599.00	28,786.00	124,385.00	124,316.58	68.42
General supplies	7,000.00	1,011.00	8,011.00	7,320.95	690.05
Total learning and/or language disabilities	\$ 329,611.00	\$ 109,627.00	\$ 439,238.00	\$ 438,442.53	\$ 795.47
Behavioral Disabilities					
Salaries of teachers	\$ 383,563.00	\$ 6,435.00	\$ 389,998.00	\$ 389,309.50	\$ 688.50
Other salaries for instruction	130,594.00	(28,994.00)	101,600.00	101,464.56	135.44
General supplies	6,859.00	(3,000.00)	3,859.00	2,867.50	991.50
Total behavioral disabilities	\$ 521,016.00	\$ (25,559.00)	\$ 495,457.00	\$ 493,641.56	\$ 1,815.44
Multiple disabilities					
Salaries of teachers	\$ 418,504.00	\$ 141,521.00	\$ 560,025.00	\$ 559,912.26	\$ 112.74
Other salaries for instruction	333,483.00	37,083.00	370,566.00	369,550.47	1,015.53
General supplies	5,000.00	400.00	5,400.00	5,222.67	177.33
Other objects	2,000.00		2,000.00	1,500.00	500.00
Total multiple disabilities	\$ 758,987.00	\$ 179,004.00	\$ 937,991.00	\$ 936,185.40	\$ 1,805.60

CITY OF RAHWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Resource room/ resource center					
Salaries of teachers	\$ 3,898,974.00	\$ (92,615.00)	\$ 3,806,359.00	\$ 3,707,901.31	\$ 98,457.69
Other salaries for instruction	672,371.00	427.00	672,798.00	432,130.50	240,667.50
General supplies	17,200.00	(137.00)	17,063.00	16,716.46	346.54
Textbooks	2,550.00	(1,500.00)	1,050.00		1,050.00
Total resource room/ resource center	\$ 4,591,095.00	\$ (93,825.00)	\$ 4,497,270.00	\$ 4,156,748.27	\$ 340,521.73
Autism					
Salaries of teachers	\$ 488,194.00	\$ (77,061.00)	\$ 411,133.00	\$ 331,212.25	\$ 79,920.75
Other salaries for instruction	219,475.00	(600.00)	218,875.00	141,494.98	77,380.02
General supplies	33,000.00		33,000.00	31,186.87	1,813.13
Total autism	\$ 740,669.00	\$ (77,661.00)	\$ 663,008.00	\$ 503,894.10	\$ 159,113.90
Preschool disabilities - full time					
Salaries of teachers	\$ 495,147.00	\$ (9,240.00)	\$ 485,907.00	\$ 365,069.40	\$ 120,837.60
Other salaries for instruction	248,008.00	9,139.00	257,147.00	222,074.65	35,072.35
General supplies	9,000.00	100.00	9,100.00	7,367.21	1,732.79
Total preschool disabilities - full time	\$ 752,155.00	\$ (1.00)	\$ 752,154.00	\$ 594,511.26	\$ 157,642.74
Home instruction					
Salaries of teachers	\$ 45,000.00	\$ 69,063.00	\$ 114,063.00	\$ 111,001.00	\$ 3,062.00
Purchased professional education services	10,000.00	(3,048.00)	6,952.00		6,952.00
Total home instruction	\$ 55,000.00	\$ 66,015.00	\$ 121,015.00	\$ 111,001.00	\$ 10,014.00
Basic skills/ remedial - instruction					
Salaries of teachers	\$ 230,537.00	\$	\$ 230,537.00	\$	\$ 230,537.00
General supplies	1,500.00		1,500.00		1,500.00
Total basic skills/ remedial - instruction	\$ 232,037.00	\$	\$ 232,037.00	\$	\$ 232,037.00
Bilingual education - instruction					
Salaries of teachers	\$ 1,125,116.00	\$ (2,989.00)	\$ 1,122,127.00	\$ 1,107,344.53	\$ 14,782.47
Other salaries for instruction	218,624.00	(1,281.00)	217,343.00	201,289.68	16,053.32
General supplies	15,000.00	(4,034.00)	10,966.00	7,624.07	3,341.93
Textbooks	2,600.00		2,600.00		2,600.00
Total bilingual education - instruction	\$ 1,361,340.00	\$ (8,304.00)	\$ 1,353,036.00	\$ 1,316,258.28	\$ 36,777.72

CITY OF RAYWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
School sponsored cocurricular athletics - instruction					
Salaries	\$ 257,052.00	\$ 20,545.00	\$ 277,597.00	\$ 277,145.67	\$ 451.33
Purchased services (300-500 series)	119,892.00	6,775.00	126,742.00	115,132.64	11,609.36
Supplies and materials	73,350.00	2,850.00	76,200.00	64,944.47	11,255.53
Other objects	33,900.00		34,146.95	12,876.36	21,270.59
Transfers to Cover Deficit (Custodial Funds)	1,500.00		1,500.00		1,500.00
Total school sponsored cocurricular athletics - instruction	\$ 485,694.00	\$ 30,170.00	\$ 516,185.95	\$ 470,099.14	\$ 46,086.81
School sponsored athletics - instruction					
Salaries	\$ 483,830.00	\$ (2,000.00)	\$ 483,830.00	\$ 469,121.50	\$ 14,708.50
Purchased services (300-500 series)	147,703.00		164,160.50	91,106.64	73,053.86
Supplies and materials	221,050.00		221,758.92	181,251.49	40,507.43
Other objects	47,500.00		47,500.00	47,447.50	52.50
Total school sponsored athletics - instruction	\$ 902,083.00	\$ (2,000.00)	\$ 917,249.42	\$ 788,927.13	\$ 128,322.29
Before/ after school programs - instruction					
Other salaries of instruction	\$ 49,608.00	\$ 4,288.00	\$ 53,896.00	\$	\$ 53,896.00
Total before/ after school programs - instruction	\$ 49,608.00	\$ 4,288.00	\$ 53,896.00	\$	\$ 53,896.00
Summer school - instruction					
Salaries of teachers	\$ 19,000.00	\$ (2,968.00)	\$ 16,032.00	\$	\$ 16,032.00
Salaries of reading specialists	2,500.00		2,500.00		2,500.00
General supplies	5,000.00		5,730.35	5,724.38	5.97
Total summer school - instruction	\$ 26,500.00	\$ (2,968.00)	\$ 24,262.35	\$ 5,724.38	\$ 18,537.97
Alternative Education Programs - instruction					
Salaries of teachers	\$ 976,306.00	\$	\$ 976,306.00	\$ 910,045.75	\$ 66,260.25
General supplies	16,000.00		16,000.00	9,203.41	6,796.59
Textbooks	6,000.00		6,000.00		6,000.00
Total alternative education programs- instruction	\$ 998,306.00	\$	\$ 998,306.00	\$ 919,249.16	\$ 79,056.84
Alternative Education Programs - support service					
Salaries	\$ 127,173.00	\$	\$ 127,173.00	\$ 118,858.00	\$ 8,315.00
Other purchased services (400-500 series)	5,496.00		5,496.00	5,496.00	
Supplies and materials	20,000.00		32,084.85	12,084.85	20,000.00
Other objects	4,100.00		4,100.00	3,921.12	178.88
Total alternative education programs- support service	\$ 156,769.00	\$	\$ 168,853.85	\$ 140,359.97	\$ 28,493.88
Other alternative ed programs - instruction					

CITY OF RAYWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Salaries of teachers	\$ 149,164.00	\$ (36,200.00)	\$ 112,964.00	\$ 46,311.67	\$ 66,652.33
Total other suppl/ at-risk prog - instruction	\$ 149,164.00	\$ (36,200.00)	\$ 112,964.00	\$ 46,311.67	\$ 66,652.33
Other alternative ed programs - support services					
Salaries of teachers	\$ 81,968.00	\$ 3,500.00	\$ 85,468.00	\$ 85,379.50	\$ 88.50
Total other suppl/ at-risk prog - support services	\$ 81,968.00	\$ 3,500.00	\$ 85,468.00	\$ 85,379.50	\$ 88.50
Undistributed expenditures:					
Instruction tuition:					
Tuition to other LEAs within state - regular	\$ 2,485,558.00	\$ 29,114.00	\$ 2,914,672.00	\$ 28,930.56	\$ 183.44
Tuition to other LEAs within state - special	735,000.00	(652,057.00)	86,943.00	1,529,692.01	303,808.99
Tuition to county voc. School dist. - regular	86,000.00		86,000.00	696,050.00	38,950.00
Tuition to county voc. School dist. - special	141,750.00	(50,000.00)	91,750.00	18,800.00	67,200.00
Tuition to co. spec serv & reg day schools	5,008,838.00	(401,712.00)	4,607,126.00	13,500.00	78,250.00
Tuition to priv. sch. for the disabled w/ state	44,372.00		44,372.00	4,525,890.73	81,235.27
Tuition - state facilities					44,372.00
Total instruction tuition	\$ 8,501,518.00	\$ (1,074,655.00)	\$ 7,426,863.00	\$ 6,812,863.30	\$ 613,999.70
Attendance and social work:					
Salaries	\$ 303,421.00		\$ 303,421.00	\$ 189,102.62	\$ 114,318.38
Supplies and materials	5,700.00		5,700.00	4,970.88	729.12
Total attendance and social work	\$ 309,121.00		\$ 309,121.00	\$ 194,073.50	\$ 115,047.50
Health services:					
Salaries	\$ 490,228.00	\$ 1,288.00	\$ 491,516.00	\$ 451,860.42	\$ 39,655.58
Purchased professional and technical services	45,700.00	98,112.00	143,812.00	129,377.51	14,434.49
Supplies and materials	14,712.00	3,000.00	33,808.68	32,921.34	887.34
Other objects	750.00		750.00	510.00	240.00
Total health services	\$ 551,390.00	\$ 102,400.00	\$ 653,790.68	\$ 614,669.27	\$ 55,217.41

CITY OF RAHWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Speech OT PT related svcs:					
Salaries	\$ 642,554.00	\$ 19,008.00	\$ 661,562.00	\$ 646,806.70	\$ 14,755.30
Purchased professional - education services	855,616.00	336,092.00	1,191,708.00	1,032,724.32	158,983.68
Supplies and materials	2,400.00		2,400.00	1,449.35	950.65
Other objects	1,800.00		1,800.00	1,575.00	225.00
Total speech OT PT related svcs	\$ 1,502,370.00	\$ 355,100.00	\$ 1,857,470.00	\$ 1,682,555.37	\$ 174,914.63
OTH supp serv std extra:					
Salaries	\$ 424,458.00	\$ 351.00	\$ 424,809.00	\$ 345,180.67	\$ 79,628.33
Purchased professional - education services	2,213,397.00	(355,000.00)	1,858,397.00	1,627,840.29	230,556.71
Other objects	1,000.00	500.00	1,500.00	1,200.00	300.00
Total OTH supp serv std extra	\$ 2,638,855.00	\$ (354,149.00)	\$ 2,284,706.00	\$ 1,974,220.96	\$ 310,485.04
Guidance:					
Salaries of other professional staff	\$ 1,046,446.00	\$ (22,010.00)	\$ 1,024,436.00	\$ 768,251.24	\$ 256,184.76
Salaries of secretarial and clerical assistants	133,803.00		133,803.00	91,011.01	42,791.99
Purchased professional - educational services	126,416.00	31,000.00	157,416.00	144,442.60	12,973.40
Other purchased prof. and tech. services	9,000.00		9,000.00		9,000.00
Supplies and materials	11,750.00		11,750.00	2,616.84	9,133.16
Other objects	2,500.00		2,500.00	720.00	1,780.00
Total guidance	\$ 1,329,915.00	\$ 8,990.00	\$ 1,338,905.00	\$ 1,007,041.69	\$ 331,863.31
Child study teams:					
Salaries of other professional staff	\$ 1,802,370.00	\$ (53,000.00)	\$ 1,749,370.00	\$ 1,626,154.32	\$ 123,215.68
Salaries of secretarial and clerical assistants	189,325.00		189,325.00	184,492.63	4,832.37
Purchased prof - educational services	57,000.00	28,500.00	109,400.00	99,978.25	9,421.75
Other pur serv (400-500 series o/than resid costs)	42,492.00	76.00	42,568.00	40,395.20	2,172.80
Supplies and materials	15,900.00	9,000.00	24,900.00	22,910.77	1,989.23
Total child study teams	\$ 2,107,087.00	\$ (15,424.00)	\$ 2,115,563.00	\$ 1,973,931.17	\$ 141,631.83

CITY OF RAHWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Improvement of inst. serv:					
Sal of supervisor of instruction	\$ 765,344.00	\$ 4,522.00	\$ 769,866.00	\$ 769,865.52	\$ 0.48
Sal of other professional staff	77,500.00	4,478.00	81,978.00	81,675.48	302.52
Sal of secr and clerical assist.	57,265.00		57,265.00	47,932.00	9,333.00
Purchased prof - educational services	49,029.00		49,029.00	48,673.80	355.20
Other purch services (400-500)	22,538.00		22,538.00	13,600.16	8,937.84
Supplies and materials	9,500.00		9,500.00	4,054.09	5,445.91
Other objects	10,000.00	(790.00)	9,210.00	8,014.37	1,195.63
Total improvement of inst. serv.	\$ 991,176.00	\$ 8,210.00	\$ 999,386.00	\$ 973,815.42	\$ 25,570.58
Edu. media serv. / library:					
Salaries	\$ 359,649.00	\$	\$ 359,649.00	\$ 356,428.07	\$ 3,220.93
Other purch services (400-500)	8,500.00		8,500.00	8,138.16	361.84
Supplies and materials	26,463.00		26,463.00	26,463.00	
Total edu. media serv. / library	\$ 394,612.00	\$	\$ 394,612.00	\$ 384,566.23	\$ 30,045.77
Instr. Staff training serv:					
Purchased prof - educational services	\$ 1,000.00	\$	\$ 1,000.00	\$ 1,000.00	\$
Other purchased services (400-500 series)	7,000.00	(325.00)	6,675.00	5,102.26	1,572.74
Other objects	1,000.00	325.00	1,325.00	1,324.00	1.00
Total instr. Staff training serv.	\$ 9,000.00	\$	\$ 9,000.00	\$ 7,426.26	\$ 1,573.74

CITY OF RAHWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Support serv. Gen. admin:					
Salaries	\$ 397,438.00	\$ 106,949.00	\$ 504,387.00	\$ 376,905.68	\$ 127,481.32
Legal Services	117,300.00	8,151.00	125,451.00	125,445.90	5.10
Audit Fees	47,338.00		47,338.00	46,610.00	728.00
Architectural/engineering services		72,400.00	75,595.00	54,247.49	21,347.51
Other purchased professional services	93,232.00	5,000.00	98,232.00	95,996.75	2,235.25
Purchased Technical Services	12,903.00		12,903.00	12,838.13	64.87
Communications/ telephone	128,000.00	(5,400.00)	122,600.00	65,394.04	57,205.96
BOE other purchased services	3,000.00	15,500.00	18,500.00	5,268.00	13,232.00
Other purchased services	426,162.00	60,148.00	486,310.00	482,567.68	3,742.32
General supplies	2,000.00		2,000.00	1,303.30	696.70
BOE in-house training/meeting supplies	1,500.00	(964.00)	536.00	154.00	382.00
Judgments against school district					
Miscellaneous expenditures	4,204.00	135,030.47	139,234.47	1,115.25	138,119.22
BOE membership dues and fees	30,000.00	1,933.53	31,933.53	30,290.91	1,642.62
Total support serv. Gen. admin.	\$ 1,263,077.00	\$ 398,748.00	\$ 1,665,020.00	\$ 1,298,137.13	\$ 366,882.87
Support serv. School admin:					
Salaries of principals/asst. principals/prog dir	\$ 2,560,031.00	\$ (62,292.00)	\$ 2,497,739.00	\$ 2,421,841.46	\$ 75,897.54
Salaries of secretarial and clerical assistants	616,392.00	120,231.00	736,623.00	717,854.87	18,768.13
Unused vac payment to term/ret staff		134,195.00	134,195.00	134,194.03	0.97
Other purchased services (400-500 series)	192,748.00	(2,690.00)	192,748.00	174,439.65	18,308.35
Supplies and materials	45,460.00		42,770.00	42,770.00	
Other objects	34,500.00	1,300.00	35,808.55	27,923.31	7,885.24
Total support serv. School admin	\$ 3,449,131.00	\$ 190,744.00	\$ 3,639,883.55	\$ 3,476,253.32	\$ 163,630.23
Central services:					
Salaries	\$ 566,340.00	\$ 238,950.00	\$ 805,290.00	\$ 545,699.80	\$ 259,590.20
Misc. purchased services (400-500 series)	70,345.00		70,345.00	67,853.09	2,491.91
Supplies and materials	7,500.00	400.00	7,900.00	7,669.61	230.39
Other objects	6,000.00	2,800.00	9,068.93	8,996.20	72.73
Total undistributed expenditure central services	\$ 650,185.00	\$ 242,150.00	\$ 892,603.93	\$ 630,218.70	\$ 262,385.23

CITY OF RAYWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Admin info technology:					
Salaries	\$ 654,717.00	\$ (700.00)	\$ 654,017.00	\$ 574,729.70	\$ 79,287.30
Other purchased services (400-500 series)	264,260.00	(500.00)	283,205.11	251,670.80	31,534.31
Supplies and materials	151,600.00	5,000.00	224,700.57	205,611.98	19,088.59
Other objects	10,000.00		10,000.00	3,469.75	6,530.25
Total admin info technology	\$ 1,080,577.00	\$ 3,800.00	\$ 1,171,922.68	\$ 1,035,482.23	\$ 136,440.45
Required maint for sch fac.:					
Salaries	\$ 631,111.00		\$ 631,111.00	\$ 491,117.90	\$ 139,993.10
Unused vac payment to term/ret staff		13,701.00	13,701.00	13,700.32	0.68
Cleaning, repair, and maintenance services	549,343.00	899.00	622,316.65	450,648.22	171,668.43
General supplies	185,300.00	(4,000.00)	184,332.79	152,826.88	31,505.91
Other objects	5,500.00	(1,672.00)	3,828.00	3,232.00	596.00
Total required maint for sch fac.	\$ 1,371,254.00	\$ 8,928.00	\$ 1,455,289.44	\$ 1,111,525.32	\$ 343,764.12
Custodial services:					
Salaries	\$ 1,690,477.00	\$ 28,846.00	\$ 1,719,323.00	\$ 1,672,282.96	\$ 47,040.04
Unused vac payment to term/ret staff		7,617.00	7,617.00	7,615.85	1.15
Purchased professional and technical services	66,800.00	(4,182.00)	62,618.00	51,037.28	11,580.72
Cleaning, repair, and maintenance services	149,150.00	(6,535.00)	149,863.69	123,953.54	25,910.15
Rental and land & bldg other than lease pur agrmt	132,500.00	3,100.00	135,600.00	130,927.86	4,672.14
Other purchasd property services	87,000.00	4,130.00	91,130.00	91,125.25	4.75
Insurance	143,020.00		143,020.00	143,020.00	
Miscellaneous purchased services	4,100.00		4,100.00	1,017.52	3,082.48
General supplies	239,100.00	(1,630.00)	240,167.27	204,329.38	35,837.89
Energy (natural gas)	400,000.00	42,000.00	442,000.00	364,219.94	77,780.06
Energy (electricity)	500,000.00	(44,500.00)	455,500.00	438,384.70	17,115.30
Total custodial services	\$ 3,412,147.00	\$ 28,846.00	\$ 3,450,938.96	\$ 3,227,914.28	\$ 223,024.68
Care and upkeep of grounds:					
Cleaning, repair, and maintenance services	\$ 425,100.00	\$ (67,500.00)	\$ 390,518.93	\$ 255,920.40	\$ 134,598.53
General supplies	64,800.00	(9,000.00)	60,850.09	46,245.26	14,604.83
Total care and upkeep of grounds	\$ 489,900.00	\$ (76,500.00)	\$ 451,369.02	\$ 302,165.66	\$ 149,203.36

CITY OF RAHWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Security:					
Salaries	\$ 550,556.00	\$ 78,548.00	\$ 629,104.00	\$ 588,299.43	\$ 40,804.57
Purchased professional and technical services		4,482.00	4,482.00	3,014.00	1,468.00
General Supplies	2,000.00	2,000.00	4,000.00	3,384.55	615.45
Other Objects		500.00	500.00	99.00	401.00
Total security	\$ 552,556.00	\$ 85,530.00	\$ 638,086.00	\$ 594,796.98	\$ 43,289.02
Student transportation serv:					
Salaries of non-instructional aids	\$ 14,800.00	\$ 28,496.00	\$ 43,296.00	\$ 39,542.72	\$ 3,753.28
Salaries pupil trans (between home & school) - spec ed	37,287.00	49,405.00	86,692.00	86,048.03	643.97
Salaries pupil trans other than between home & school	17,000.00	12,748.00	29,748.00	29,677.50	70.50
Cleaning, repair & maint services	5,000.00	(4,035.00)	965.00	759.81	205.19
Rental payments - school buses	2,000.00		2,000.00		2,000.00
Contract. Serv. - Aid in Lieu Pymts-Non Pub Sch	130,000.00	25,000.00	155,000.00	142,816.85	12,183.15
Contract. Serv. - Aid in Lieu Pymts-Charter Sch	15,000.00	(10,000.00)	5,000.00	2,649.85	2,350.15
Contract. Serv. - Aid in Lieu Pymts-Choice Sch	6,000.00		6,000.00	3,000.00	3,000.00
Contr serv (bet home and sch) vendors	716,500.00	1,034.00	717,534.00	642,265.30	75,268.70
Contr serv (oth than bet home & sch) vend	175,695.00	(900.00)	174,795.00	96,131.56	78,663.44
Contr Serv (sp ed)- vendors	657,600.00	(5,500.00)	652,100.00	604,085.32	48,014.68
Contr Serv (reg std)- ESCs	91,500.00	197,535.00	289,035.00	247,991.56	41,043.44
Contr Serv (sp ed)- ESCs	3,356,100.00	959,993.00	4,316,093.00	4,315,579.29	513.71
Misc purchased service - transportation	10,000.00		10,000.00	8,500.00	1,500.00
Transportation supplies	6,000.00	8,000.00	14,000.00	9,075.52	4,924.48
Miscellaneous expenditures	500.00	1,600.00	2,100.00	2,050.00	50.00
Total student trans serv	\$ 5,240,982.00	\$ 1,263,376.00	\$ 6,504,358.00	\$ 6,230,173.31	\$ 274,184.69
Unallocated benefits:					
Social security contributions	\$ 780,000.00	\$ 327,227.00	\$ 1,107,227.00	\$ 1,105,827.68	\$ 1,399.32
Other retirement contributions - PERS	843,000.00	53,000.00	896,000.00	895,255.00	745.00
Other retirement contributions - regular	80,000.00		80,000.00	72,758.15	7,241.85
Workmen's compensation	416,000.00	(58,248.00)	357,752.00	252,132.00	105,620.00
Health benefits	9,560,753.00	(624,248.00)	8,936,505.00	8,469,125.95	467,379.05
Tuition reimbursement	135,000.00		135,000.00	116,591.65	18,408.35
Other employee benefits	630,500.00	(59,642.00)	570,858.00	560,587.92	10,270.08
Unused sick payment to term/ret staff	200,000.00	102,951.00	302,951.00	302,323.49	627.51
Total unallocated benefits	\$ 12,645,253.00	\$ (258,960.00)	\$ 12,386,293.00	\$ 11,774,601.84	\$ 611,691.16

CITY OF RAHWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
On-behalf TPAF pension contributions (non-budgeted)	\$		\$	11,513,474.00	\$ (11,513,474.00)
On-behalf TPAF NCGI (non-budgeted)				159,736.00	(159,736.00)
On-behalf TPAF prm contributions (non-budgeted)				3,066,524.00	(3,066,524.00)
On-behalf TPAF long-term disability insurance (non-budgeted)				4,195.00	(4,195.00)
Reimbursed TPAF social security contributions (non-budgeted)				2,535,026.05	(2,535,026.05)
	\$	\$	\$	17,278,955.05	\$ (17,278,955.05)
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 48,490,106.00	\$ 917,134.00	\$ 49,661,277.26	\$ 62,565,386.99	\$ (12,904,109.73)
Interest earned on maintenance reserve	\$ 100.00		\$ 100.00		\$ 100.00
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 82,298,153.00	\$ 1,058,660.00	\$ 83,857,264.58	\$ 93,972,751.66	\$ (10,115,487.08)
CAPITAL OUTLAY:					
Undistributed expenditures					
Instruction:					
Undist. Expend. - School-sponsored and other instr prog	\$ 21,000.00		\$ 21,000.00	\$ 15,000.00	\$ 6,000.00
Undist. Expend. - Required Maint for School Fac.	141,190.00	6,300.00	151,283.00	99,887.80	51,395.20
Undist. Expend. - Care and upkeep of grounds		19,000.00	19,000.00		19,000.00
Undist. Expend. - Security		221,200.00	221,200.00	17,466.80	203,733.20
Total equipment	\$ 162,190.00	\$ 246,500.00	\$ 412,483.00	\$ 132,354.60	\$ 280,128.40
Facilities acquisition and const. serv.					
Construction services	\$		\$ 54,005.00	54,005.00	
Assessment for Debt Service on SDA Funding	\$ 38,595.00		\$ 38,595.00	38,595.00	
Total facilities acquisition and const. serv.	\$ 38,595.00		\$ 92,600.00	92,600.00	
Interest Deposit to Capital Reserve	\$ 100.00		\$ 100.00		\$ 100.00

CITY OF RAHWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
TOTAL CAPITAL OUTLAY	\$ 200,885.00	\$ 246,500.00	\$ 505,183.00	\$ 224,954.60	\$ 280,228.40
Transfer of funds to charter school					
TOTAL TRANSFER TO CHARTER SCHOOLS	\$ 293,287.00	\$ 16,164.00	\$ 309,451.00	\$ 220,131.00	\$ 89,320.00
GENERAL FUND GRAND TOTAL	\$ 82,792,325.00	\$ 1,321,324.00	\$ 84,671,898.58	\$ 94,417,837.26	\$ (9,745,938.68)
Excess (deficiency) of revenues Over (under) expenditures	\$ (1,250,802.00)	\$ (1,321,324.00)	\$ (3,130,375.58)	\$ 6,134,593.66	\$ 9,259,915.59
Other financing sources (uses): Local contribution- transfer to special revenue- inclusion	\$ (549,198.00)	\$	\$ (549,198.00)	\$ (549,198.00)	\$
Excess (deficiency) of revenues (sources) Over (under) expenditures (uses)	(1,800,000.00)	(1,321,324.00)	(3,679,573.58)	5,585,395.66	9,259,915.59
Fund balance, July 1	\$ 18,882,680.47	\$	\$ 18,882,680.47	\$ 18,882,680.47	\$
Fund balance, June 30	\$ 17,082,680.47	\$ (1,321,324.00)	\$ 15,203,106.89	\$ 24,468,076.13	\$ 9,259,915.59

Recapitulation:
Restricted:
Excess Surplus - Designated for Subsequent Year's Expenditures
Excess Surplus - Current Year
Maintenance Reserve
Unemployment Reserve
Capital Reserve
SEMI/FCCRA
Assigned:
Encumbrances
Unassigned

\$	1,800,000.00
\$	1,800,000.00
	875,668.00
	335,885.34
	16,959,152.86
	37,366.53
	755,239.80
	1,904,763.60
\$	24,468,076.13

Reconciliation to Government Fund Statements
Last state aid payments not recognized on GAAP basis
Fund balance per government funds (GAAP)

\$	(3,457,990.00)
\$	21,010,086.13

CITY OF RAHWAY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 6,213,864.00	\$	\$ 6,213,864.00	\$ 4,483,346.67	\$ (1,730,517.33)
Federal sources	1,611,629.00	6,302,757.55	7,914,386.55	6,635,136.96	(1,279,249.59)
Other sources		533,515.52	533,515.52	456,236.39	(77,279.13)
Total revenues	\$ 7,825,493.00	\$ 6,836,273.07	\$ 14,661,766.07	\$ 11,574,720.02	\$ (3,087,046.05)
EXPENDITURES:					
Instruction:					
Personal services - salaries	\$ 2,230,699.00	\$ 103,304.00	\$ 2,334,003.00	\$ 2,026,692.64	\$ 307,310.36
Purchased professional educational services	171,000.00	58,838.85	229,838.85	69,415.69	160,423.16
Other purchased services	25,000.00	8,390.00	33,390.00	8,380.00	25,010.00
Tuition	866,884.00	302,058.00	1,168,742.00	1,168,741.40	0.60
General supplies	263,525.00	769,659.31	1,033,184.31	619,637.65	413,546.66
Textbooks		858.00	858.00		858.00
Other objects	25,000.00	2,749.00	27,749.00	1,750.00	25,999.00
Total instruction	\$ 3,581,908.00	\$ 1,245,857.16	\$ 4,827,765.16	\$ 3,894,617.38	\$ 933,147.78
Support services:					
Personal services - salaries	\$ 876,514.00	\$ 360,062.00	\$ 1,236,576.00	\$ 1,024,289.31	\$ 212,306.69
Personal services - employee benefits	1,004,380.00	361,752.00	1,366,132.00	258,596.08	1,107,535.92
Purchased professional services	2,302,700.00	280,454.00	2,583,154.00	2,456,046.25	127,107.75
Rentals	75,000.00		75,000.00	52,031.00	22,969.00
Cleaning, Repair and Maintenance Services	44,000.00	67,970.64	111,970.64	17,603.81	94,366.83
Other purchased services	25,189.00	199,641.42	224,830.42	126,971.30	97,859.12
Supplies and materials	125,000.00	231,173.13	356,173.13	215,603.32	140,569.81
Miscellaneous expenditures	30,000.00	427,816.72	457,816.72	388,021.78	69,794.94
Total support services	\$ 4,482,783.00	\$ 1,928,869.91	\$ 6,411,652.91	\$ 4,539,142.85	\$ 1,872,510.06
Equipment:					
Instructional equipment	\$ 310,000.00	\$	\$ 310,000.00	\$ 265,584.27	\$ 44,415.73
Non-instructional equipment		3,661,546.00	3,661,546.00	3,406,590.00	254,956.00
Total Equipment:	\$ 310,000.00	\$ 3,661,546.00	\$ 3,971,546.00	\$ 3,672,174.27	\$ 299,371.73
Total expenditures	\$ 8,374,691.00	\$ 6,836,273.07	\$ 15,210,964.07	\$ 12,105,934.50	\$ 3,105,029.57
Other financing sources (uses)					
Operating transfers in	\$ 549,198.00	\$	\$ 549,198.00	\$ 549,198.00	\$
Excess (deficiency) of revenues and Other Financing Sources Over/(Under) Expenditures	\$	\$	\$	\$ 17,983.52	\$ 17,983.52
Fund Balance, July 1				479,962.42	
Fund Balance, June 30				497,945.94	
Restricted					
Scholarships				171,614.06	
Student activities				326,331.88	
Total Fund Balance				497,945.94	

CITY OF RAHWAY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$100,552,430.92	\$11,574,720.02
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		(1,645,408.30)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,981,461.00	490,846.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(3,457,990.00)</u>	<u>(518,605.00)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$100,075,901.92</u>	<u>\$9,901,552.72</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	\$94,417,837.26	\$12,105,934.50
Difference - budget to GAAP Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial purposes		<u>(1,645,408.30)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$94,417,837.26</u>	<u>\$10,460,526.20</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

CITY OF RAHWAY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

<u>Measurement Date Ending June 30,</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2013	0.0697973797%	\$ 13,339,666	\$ 4,920,450.00	271.11%	48.72%
2014	0.0682913452%	12,786,008	5,999,031.00	213.13%	52.08%
2015	0.0685632423%	15,391,074	4,776,139.00	322.25%	47.93%
2016	0.0702333444%	20,801,102	4,988,875.00	416.95%	40.14%
2017	0.0716770157%	16,685,264	5,050,038.00	330.40%	48.10%
2018	0.0729737500%	14,368,167	5,002,754.00	287.21%	53.60%
2019	0.0710796891%	12,807,482	4,872,923.00	262.83%	56.27%
2020	0.0680779101%	11,101,727	4,856,616.00	228.59%	58.32%
2021	0.0689155340%	8,164,078	5,031,469.00	162.26%	70.33%
2022	0.0709929348%	10,713,811	5,180,254.00	206.82%	62.91%

CITY OF RAHWAY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 522,017	\$ 522,017	\$ -0-	\$ 5,999,031.00	8.70%
2015	562,984	562,984	-0-	5,999,031.00	9.38%
2016	589,460	589,460	-0-	4,988,875.00	11.82%
2017	623,943	623,943	-0-	5,050,038.00	12.36%
2018	664,011	664,011	-0-	5,002,754.00	13.27%
2019	725,853	725,853	-0-	4,872,923.00	14.90%
2020	691,399	691,399	-0-	4,856,616.00	14.24%
2021	744,738	744,738	-0-	5,031,469.00	14.80%
2022	807,081	807,081	-0-	5,180,254.00	15.58%
2023	895,255	895,255	-0-	5,342,409.00	16.76%

CITY OF RAHWAY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (GASB 75)

CITY OF RAHWAY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE DISTRICT'S
 TOTAL OPEB LIABILITY AND RELATED RATIOS
 LAST SIX YEARS

	Measurement Date Ended June 30,					
	2022	2021	2020	2019	2018	2017
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District						
Balance at 6/30	\$151,070,091	\$169,461,269	\$103,693,563	\$113,797,085	\$129,098,281	\$138,925,132
Changes for the year:						
Service cost	7,194,309	8,280,031	4,534,612	4,300,235	4,752,737	5,729,083
Interest cost	3,382,263	3,918,917	3,738,353	4,511,166	4,739,743	4,081,893
Changes of benefit terms		(160,795)				
Differences between expected and actual experience	3,460,504	(27,591,551)	29,400,751	(17,372,276)	(8,797,165)	
Changes of assumptions	(34,237,157)	149,042	30,954,751	1,546,080	(13,058,785)	(16,757,744)
Membership Contributions	107,477	100,187	89,420	94,356	105,168	110,107
Gross benefit payments	(3,350,232)	(3,087,009)	(2,950,181)	(3,183,083)	(3,042,894)	(2,990,190)
Net changes	(23,442,836)	(18,391,178)	65,767,706	(10,103,522)	(15,301,196)	(9,826,851)
Balance at 6/30	\$127,627,255	\$151,070,091	\$169,461,269	\$103,693,563	\$113,797,085	\$129,098,281
Covered Employee Payroll	38,997,892	37,427,696	37,232,219	37,247,975	36,109,547	34,310,240
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	327.27%	403.63%	455.15%	278.39%	315.14%	376.27%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

CITY OF RAHWAY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt

CITY OF RAHWAY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	TITLE I	TITLE VIA	TITLE II PART A	TITLE III	ARP ESSER III MENTAL HEALTH	TITLE IV
REVENUES:						
State sources	\$804,525.95	\$63,080.97	\$144,546.97	\$47,464.60	\$88,501.00	\$27,646.62
Federal sources						
Other sources						
Total revenues	133,735.00	63,080.97	144,546.97	47,464.60	88,501.00	27,646.62
EXPENDITURES:						
Instruction:						
Personal services - salaries	149,261.79	44,486.00		9,950.95		6,160.00
Purchased professional services	28,995.19					
Other purchased services						
Tuition						
General supplies	388,634.20	3,500.00		29,741.68		13,245.38
Other objects						
Total instruction	133,735.00	47,986.00		39,692.63		19,405.38
Support services:						
Personal services - salaries	400.00	6,468.00	41,000.00		61,035.00	
Personal services - employee benefits	10,514.68	3,896.97	3,136.50	761.24	27,466.00	471.24
Purchased professional services	78,792.50		52,290.00	3,083.75		2,550.00
Rentals	9,000.00					
Cleaning, Repair and Maintenance Services			23,329.04	3,926.98		5,220.00
Other purchased services	88,570.84					
Contracted Transportation Services			23,338.43			
Supplies and materials	50,356.75	4,730.00	1,453.00			
Miscellaneous expenditures						
Total support services	237,634.77	15,094.97	144,546.97	7,771.97	88,501.00	8,241.24
Equipment:						
Instructional equipment						
Non-instructional equipment						
Total equipment						
Total expenditures	133,735.00	63,080.97	144,546.97	47,464.60	88,501.00	27,646.62
Other financing sources (uses):						
Transfer from general fund						
Excess (deficiency) of revenues/sources) over/(under)expenditures (uses)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
Fund Balance, July 1						
Fund Balance, June 30	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-

(Continued on next page)

CITY OF RAIHWAY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ESSER II MENTAL HEALTH	PRESCHOOL AID	IDEA PART B BASIC	IDEA PART B PRESCHOOL	OTHER LOCAL/ PRIVATE GRANTS	ARP ESSER III ACCELERATED LEARNING	ESSER II LEARNING ACCELERATION
REVENUES							
State sources	\$4,500.00	\$4,481,890.67	\$1,103,499.58	\$35,043.00	\$57,072.44	\$197,845.61	\$96,243.09
Federal sources							
Other sources							
Total revenues	<u>4,500.00</u>	<u>4,481,890.67</u>	<u>1,103,499.58</u>	<u>35,043.00</u>	<u>57,072.44</u>	<u>197,845.61</u>	<u>96,243.09</u>
EXPENDITURES:							
Instruction:							
Personal services - salaries		1,572,528.65				136,445.25	50,259.00
Purchased professional educational services		40,420.50					
Other purchased services				35,043.00			30,551.00
Tuition		89,957.15	998,963.40				
General supplies			36,947.24				
Other objects			1,750.00				
Total instruction		<u>1,702,906.30</u>	<u>1,038,660.84</u>	<u>35,043.00</u>		<u>136,445.25</u>	<u>80,810.00</u>
Support services:							
Personal services - salaries		646,820.31				61,400.36	4,183.09
Personal services - employee benefits	4,500.00	2,253,374.00	60,000.00				
Purchased professional services		43,031.00					
Rentals		1,250.00			5,953.81		
Cleaning, Repair and Maintenance Services		1,085.50	4,838.94		118.63		1,250.00
Other purchased services		112,648.94			1,000.00		
Supplies and materials		4,388.35					
Miscellaneous expenditures							
Total support services	<u>4,500.00</u>	<u>3,062,598.10</u>	<u>64,838.94</u>		<u>7,072.44</u>	<u>61,400.36</u>	<u>5,433.09</u>
Equipment:							
Instructional equipment		265,584.27			50,000.00		
Non-instructional equipment							
Total equipment		<u>265,584.27</u>			<u>50,000.00</u>		
Total expenditures	<u>4,500.00</u>	<u>5,031,088.67</u>	<u>1,103,499.58</u>	<u>35,043.00</u>	<u>57,072.44</u>	<u>197,845.61</u>	<u>86,243.09</u>
Other financing sources (uses):							
Transfer from general fund		548,198.00					
Excess (deficiency) of revenues/sources over/under expenditures (uses)	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>
Fund Balance, July 1							
Fund Balance, June 30	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>

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CITY OF RAYWAY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP IDEA PART B BASIC	ARP IDEA PART B PRESCHOOL	ESSER II	ARP ESSER III	NONPUBLIC NURSING	STUDENT ACTIVITIES	SCHOLARSHIPS	TOTAL
REVENUES:								
State sources	\$15,030.83	\$8,380.00	\$1,315,406.67	\$2,559,687.07	\$1,456.00	\$395,729.15	\$3,434.80	4,483,346.67
Federal sources								6,635,136.96
Other sources								456,236.39
Total revenues	15,030.83	8,380.00	1,315,406.67	2,559,687.07	1,456.00	395,729.15	3,434.80	11,574,720.02
EXPENDITURES:								
Instruction:								
Personal services - salaries				57,601.00				2,026,692.64
Purchased professional educational services								69,415.69
Other purchased services		8,380.00						8,380.00
Tuition								1,168,741.40
General supplies	15,030.83		4,403.10	7,627.07				619,637.65
Other objects								1,750.00
Total instruction	15,030.83	8,380.00	4,403.10	65,228.07				3,894,617.38
Support services:								
Personal services - salaries				268,546.00				1,024,269.31
Personal services - employee benefits				146,766.00				258,596.08
Purchased professional services					1,456.00			2,456,046.25
Rentals								52,031.00
Cleaning, Repair and Maintenance Services			10,400.00					17,603.81
Other purchased services								126,971.30
Supplies and materials			23,160.57					215,603.32
Miscellaneous expenditures						375,280.43	5,900.00	388,021.78
Total support services			33,560.57	415,312.00	1,456.00	375,280.43	5,900.00	4,539,142.85
Equipment:								
Instructional equipment			1,277,443.00	2,079,147.00				265,584.27
Non-instructional equipment								3,406,590.00
Total facilities acquisition & construction services			1,277,443.00	2,079,147.00				3,672,174.27
Total expenditures	15,030.83	8,380.00	1,315,406.67	2,559,687.07	1,456.00	375,280.43	5,900.00	12,105,934.50
Other financing sources (uses):								
Transfer from general fund								549,198.00
Excess (deficiency) of revenues/sources over/under/expenditures (uses)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$20,448.72	(\$2,465.20)	\$17,983.52
Fund Balance, July 1						305,883.16	174,079.26	479,962.42
Fund Balance, June 30	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$326,331.88	\$171,614.06	\$497,945.94

CITY OF RAHWAY SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID PROGRAM EXPENDITURES
FOR FISCAL YEARS ENDED JUNE 30, 2023

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FINAL TO ACTUAL</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	\$ 1,159,065.00	\$ 1,159,065.00	\$ 1,131,986.25	\$ 27,078.75
Other Salaries for Instruction	540,864.00	540,864.00	440,542.40	100,321.60
Purchased Professional-Educational Services	171,000.00	171,000.00	40,420.50	130,579.50
Other Purchased Services	25,000.00	25,000.00		25,000.00
General Supplies	210,904.00	210,904.00	89,957.15	120,946.85
Other Objects	25,000.00	25,000.00		25,000.00
Total instruction	\$ 2,131,833.00	\$ 2,131,833.00	\$ 1,702,906.30	\$ 428,926.70
Support services:				
Salaries of Supervisors of Instruction	\$ 198,848.00	\$ 198,848.00	\$ 180,188.62	\$ 18,659.38
Salaries of Program Directors	70,000.00	70,000.00	47,916.22	22,083.78
Salaries of Other Professional Staff	178,500.00	173,144.00	152,917.00	20,227.00
Salaries of Secretarial and Clerical Asst.	62,584.00	67,940.00	67,938.11	1.89
Other Salaries	48,319.00	49,985.00	49,984.36	0.64
Salaries of Master Teachers	156,709.00	155,043.00	147,876.00	7,167.00
Personal Services - Employee Benefits	1,004,380.00	1,004,380.00		1,004,380.00
Purchased Educational Services - Contracted Pre-K	2,252,700.00	2,252,700.00	2,252,700.00	
Purchased Professional - Educational Services	50,000.00	50,000.00	674.00	49,326.00
Cleaning, Repair and Maintenance Services	44,000.00	44,000.00	1,250.00	42,750.00
Rentals	75,000.00	75,000.00	43,031.00	31,969.00
Contracted Transportation Services - Field Trips	5,000.00	5,000.00		5,000.00
Travel	5,000.00	5,000.00		5,000.00
Miscellaneous Purchased Services	15,189.00	15,189.00	1,085.50	14,103.50
Supplies and Materials	125,000.00	125,000.00	112,648.94	12,351.06
Other Objects	30,000.00	30,000.00	4,388.35	25,611.65
Total support services	\$ 4,321,229.00	\$ 4,321,229.00	\$ 3,062,598.10	\$ 1,258,630.90
Facilities Acquisition and Construction Services				
Instructional Equipment	310,000.00	310,000.00	265,584.27	44,415.73
Total Facilities Acquisition and Construction Services	310,000.00	310,000.00	265,584.27	44,415.73
Total expenditures	\$ 6,763,062.00	\$ 6,763,062.00	\$ 5,031,088.67	\$ 1,731,973.33
<u>Calculation of Budget and Carryover</u>				
Total Revised 2022-2023 Preschool Education Aid Allocation			\$ 5,186,052.00	
Add: Actual Preschool Education Aid Carryover (June 30, 2022)			1,239,998.54	
General Fund Contribution			549,198.00	
Total Preschool Education Aid Funds Available for 2022-2023 Budget			6,975,248.54	
Less: 2022-2023 Budgeted Preschool Education Aid (expended, net, including prior year budgeted carryover)			(6,763,062.00)	
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023			212,186.54	
June 30, 2023 Unexpended Preschool Education Aid			1,731,973.33	
2022-2023 Actual Carryover - Preschool Education Aid			\$ 1,944,159.87	
2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-2024			\$ 1,239,998.00	

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS
AS OF JUNE 30, 2023

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>BALANCE JUNE 30, 2023</u>
		<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Roosevelt Roof	\$ 937,458.00	\$ 914,880.13	\$ 22,577.87	\$
Security Grant (Alyssa's Law)	212,332.00	194,533.84		17,798.16
Pre-Referendum Costs	27,000.00	27,000.00		
Roosevelt School Masonry and Front Entrance Improvements	1,279,000.00	1,277,407.80		1,592.20
Referendum - Franklin Non-Educational Improvements	2,690,834.00	162,469.30	1,728,528.29	799,836.41
Referendum - Franklin Roof Replacement	3,189,212.00	345,770.19	1,325,668.57	1,517,773.24
Referendum - Cleveland Non-Educational Improvements	2,287,419.00	70,829.29	283,651.85	1,932,937.86
Referendum - Madison Educational Improvements	2,520,728.00	57,031.30	236,211.77	2,227,484.93
Referendum - Madison Non-Educational Improvements	1,757,566.00	66,617.49	300,668.42	1,390,280.09
Referendum - Madison Roof Replacement	1,203,804.00	150,054.26	366,234.77	687,514.97
Referendum - Roosevelt Non-Educational Improvements	8,739,450.00	533,302.30	1,422,170.58	6,783,977.12
Referendum - Roosevelt Roof Replacement	930,726.00	140,228.53	763,187.26	27,310.21
Referendum - Academy Non-Educational Improvements	7,531,429.00	254,719.93	1,609,570.33	5,667,138.74
Referendum - High School Educational improvements	272,176.00	9,739.67	10,549.16	251,887.17
Referendum - High School Non-Educational Improvements	<u>7,590,656.00</u>	<u>195,188.93</u>	<u>541,424.46</u>	<u>6,854,042.61</u>
Totals	\$ <u>41,169,790.00</u>	\$ <u>4,399,772.96</u>	\$ <u>8,610,443.33</u>	\$ <u>28,159,573.71</u>

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUES AND OTHER FINANCING SOURCES:	
Interest Earned on Deposits	\$ <u>788.79</u>
Total Revenues and Other Financing Sources	<u>788.79</u>
EXPENDITURES AND OTHER FINANCING USES:	
Legal Services	\$ 22,855.60
Other Purchased Professional and Technical Services	1,176,162.26
Construction Services	<u>7,411,425.47</u>
Total Expenditures and Other Financing Uses	<u>8,610,443.33</u>
Excess (deficiency) of revenues over (under) expenditures	(8,609,654.54)
Other financing sources (uses):	
Transfers out	<u>(788.79)</u>
Total other financing sources (uses)	<u>(788.79)</u>
Net change in fund balances	(8,610,443.33)
Fund Balance - Beginning of Year	<u>36,770,017.04</u>
Fund Balance - End of Year	\$ <u><u>28,159,573.71</u></u>
<u>Reconciliation to GAAP Financial Statements:</u>	
Fund Balance- Budgetary Basis (Exhibit F-2)	\$ 28,159,573.71
Less: Unearned Revenue (GAAP Basis)	<u>17,798.16</u>
Fund Balance- GAAP Basis (Exhibit B-1)	\$ <u><u>28,141,775.55</u></u>
<u>Recapitulation:</u>	
Reserved for Encumbrances	\$ 17,810,171.91
Restricted for Capital Projects	<u>10,331,603.64</u>
	\$ <u><u>28,141,775.55</u></u>

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
ROOSEVELT ROOF
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$ 937,458.00	\$ _____	\$ 937,458.00	\$ 937,458.00
Total Revenues and Other Financing Sources	<u>937,458.00</u>	<u>_____</u>	<u>937,458.00</u>	<u>937,458.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	188,487.68	_____	188,487.68	188,487.68
Construction Services	<u>726,392.45</u>	<u>22,577.87</u>	<u>748,970.32</u>	<u>748,970.32</u>
Total Expenditures and Other Financing Uses	<u>914,880.13</u>	<u>22,577.87</u>	<u>937,458.00</u>	<u>\$ 937,458.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 22,577.87</u>	<u>\$ (22,577.87)</u>	<u>\$ _____</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$937,458.00			
Additional Authorized Cost	\$937,458.00			
Revised Authorized Cost	\$937,458.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	100.00%			
Original Target Completion Date	6/30/22			
Revised Target Completion Date	6/30/23			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
SECURITY PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Alyssa's Grant	\$ 212,332.00	\$ _____	\$ 212,332.00	\$ 212,332.00
Total Revenues and Other Financing Sources	<u>212,332.00</u>	<u>_____</u>	<u>212,332.00</u>	<u>212,332.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	48,558.00	_____	48,558.00	48,800.00
Construction Services	145,975.84	_____	145,975.84	163,532.00
Total Expenditures and Other Financing Uses	<u>194,533.84</u>	<u>_____</u>	<u>194,533.84</u>	<u>\$ 212,332.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 17,798.16</u>	<u>\$ _____</u>	<u>\$ 17,798.16</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	6/30/21			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$212,332.00			
Additional Authorized Cost				
Revised Authorized Cost	\$212,332.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	91.62%			
Original Target Completion Date	6/30/22			
Revised Target Completion Date	6/30/23			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
PRE-REFERENDUM COSTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$ 27,000.00	\$ _____	\$ 27,000.00	\$ 27,000.00
Total Revenues and Other Financing Sources	<u>27,000.00</u>	<u>_____</u>	<u>27,000.00</u>	<u>27,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	<u>27,000.00</u>	<u>_____</u>	<u>27,000.00</u>	<u>27,000.00</u>
Total Expenditures and Other Financing Uses	<u>27,000.00</u>	<u>_____</u>	<u>27,000.00</u>	<u>\$ 27,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ _____	\$ _____	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$27,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$27,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	100.00%			
Original Target Completion Date	6/30/22			
Revised Target Completion Date	6/30/22			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
ROOSEVELT SCHOOL MASONRY AND FRONT ENTRANCE IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$ 1,279,000.00	\$ _____	\$ 1,279,000.00	\$ 1,279,000.00
Total Revenues and Other Financing Sources	<u>1,279,000.00</u>	<u>_____</u>	<u>1,279,000.00</u>	<u>1,279,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Construction Services	<u>1,277,407.80</u>	<u>_____</u>	<u>1,277,407.80</u>	<u>1,279,000.00</u>
Total Expenditures and Other Financing Uses	<u>1,277,407.80</u>	<u>_____</u>	<u>1,277,407.80</u>	<u>\$ 1,279,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,592.20</u>	<u>\$ _____</u>	<u>\$ 1,592.20</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$1,279,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$1,279,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	99.88%			
Original Target Completion Date	6/30/22			
Revised Target Completion Date	6/30/22			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM - FRANKLIN NON-EDUCATIONAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 2,690,834.00	\$ _____	\$ 2,690,834.00	\$ 2,690,834.00
Total Revenues and Other Financing Sources	<u>2,690,834.00</u>	<u>_____</u>	<u>2,690,834.00</u>	<u>2,690,834.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	6,624.61	1,588.61	8,213.22	13,455.00
Purchased Professional and Technical Services	151,844.69	59,120.62	210,965.31	290,387.00
Construction Services	<u>4,000.00</u>	<u>1,667,819.06</u>	<u>1,671,819.06</u>	<u>2,386,992.00</u>
Total Expenditures and Other Financing Uses	<u>162,469.30</u>	<u>1,728,528.29</u>	<u>1,890,997.59</u>	<u>\$ 2,690,834.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,528,364.70</u>	<u>\$ (1,728,528.29)</u>	<u>\$ 799,836.41</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4290-080-20-2000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$2,690,834.00			
Bonds Issued	\$2,690,834.00			
Original Authorized Cost	\$2,690,834.00			
Additional Authorized Cost				
Revised Authorized Cost	\$2,690,834.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	70.28%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM - FRANKLIN ROOF
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 3,189,212.00	\$ _____	\$ 3,189,212.00	\$ 3,189,212.00
Total Revenues and Other Financing Sources	<u>3,189,212.00</u>	<u>_____</u>	<u>3,189,212.00</u>	<u>3,189,212.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	6,447.61	1,882.81	8,330.42	15,946.00
Purchased Professional and Technical Services	202,215.48	38,770.16	240,985.64	324,706.00
Construction Services	137,107.10	1,285,015.60	1,422,122.70	2,848,560.00
Total Expenditures and Other Financing Uses	<u>345,770.19</u>	<u>1,325,668.57</u>	<u>1,671,438.76</u>	<u>\$ 3,189,212.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>2,843,441.81</u>	\$ <u>(1,325,668.57)</u>	\$ <u>1,517,773.24</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4290-080-20-5000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$3,189,212.00			
Bonds Issued	\$3,189,212.00			
Original Authorized Cost	\$3,189,212.00			
Additional Authorized Cost				
Revised Authorized Cost	\$3,189,212.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	52.41%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM - CLEVELAND NON-EDUCATIONAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 2,287,419.00	\$ _____	\$ 2,287,419.00	\$ 2,287,419.00
Total Revenues and Other Financing Sources	<u>2,287,419.00</u>	<u>_____</u>	<u>2,287,419.00</u>	<u>2,287,419.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	4,624.48	1,350.44	5,974.92	11,438.00
Purchased Professional and Technical Services	<u>66,204.81</u>	<u>88,187.71</u>	<u>154,392.52</u>	<u>231,091.00</u>
Construction Services	<u>_____</u>	<u>194,113.70</u>	<u>194,113.70</u>	<u>2,044,890.00</u>
Total Expenditures and Other Financing Uses	<u>70,829.29</u>	<u>283,651.85</u>	<u>354,481.14</u>	<u>\$ 2,287,419.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,216,589.71</u>	<u>\$ (283,651.85)</u>	<u>\$ 1,932,937.86</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4290-090-20-1000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$2,287,419.00			
Bonds Issued	\$2,287,419.00			
Original Authorized Cost	\$2,287,419.00			
Additional Authorized Cost				
Revised Authorized Cost	\$2,287,419.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	15.50%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM - MADISON EDUCATIONAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 2,520,728.00	\$ _____	\$ 2,520,728.00	\$ 2,520,728.00
Total Revenues and Other Financing Sources	<u>2,520,728.00</u>	<u>_____</u>	<u>2,520,728.00</u>	<u>2,520,728.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	5,096.14	1,501.82	6,597.96	12,604.00
Purchased Professional and Technical Services	51,935.16	121,029.95	172,965.11	264,454.00
Construction Services	<u>_____</u>	<u>113,680.00</u>	<u>113,680.00</u>	<u>2,243,670.00</u>
Total Expenditures and Other Financing Uses	\$ <u>57,031.30</u>	\$ <u>236,211.77</u>	\$ <u>293,243.07</u>	\$ <u>2,520,728.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>2,463,696.70</u>	\$ <u>(236,211.77)</u>	\$ <u>2,227,484.93</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4290-110-20-4000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$2,520,728.00			
Bonds Issued	\$2,520,728.00			
Original Authorized Cost	\$2,520,728.00			
Additional Authorized Cost				
Revised Authorized Cost	\$2,520,728.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	11.63%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM - MADISON NON-EDUCATIONAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 1,757,566.00	\$ _____	\$ 1,757,566.00	\$ 1,757,566.00
Total Revenues and Other Financing Sources	<u>1,757,566.00</u>	<u>_____</u>	<u>1,757,566.00</u>	<u>1,757,566.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	3,553.23	1,023.94	4,577.17	8,789.00
Purchased Professional and Technical Services	63,064.26	68,102.96	131,167.22	192,315.00
Construction Services	_____	231,541.52	231,541.52	1,556,462.00
Total Expenditures and Other Financing Uses	<u>66,617.49</u>	<u>300,668.42</u>	<u>367,285.91</u>	<u>\$ 1,757,566.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>1,690,948.51</u>	\$ <u>(300,668.42)</u>	\$ <u>1,390,280.09</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4290-110-20-1000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$1,757,566.00			
Bonds Issued	\$1,757,566.00			
Original Authorized Cost	\$1,757,566.00			
Additional Authorized Cost				
Revised Authorized Cost	\$1,757,566.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	20.90%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM - MADISON ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 1,203,804.00	\$ _____	\$ 1,203,804.00	\$ 1,203,804.00
Total Revenues and Other Financing Sources	<u>1,203,804.00</u>	<u>_____</u>	<u>1,203,804.00</u>	<u>1,203,804.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	2,433.72	710.67	3,144.39	6,019.00
Purchased Professional and Technical Services	77,629.82	14,063.03	91,692.85	125,945.00
Construction Services	69,990.72	351,461.07	421,451.79	1,071,840.00
Total Expenditures and Other Financing Uses	<u>150,054.26</u>	<u>366,234.77</u>	<u>516,289.03</u>	<u>\$ 1,203,804.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,053,749.74</u>	<u>\$ (366,234.77)</u>	<u>\$ 687,514.97</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4290-110-20-6000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$1,203,804.00			
Bonds Issued	\$1,203,804.00			
Original Authorized Cost	\$1,203,804.00			
Additional Authorized Cost				
Revised Authorized Cost	\$1,203,804.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	42.89%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
 REFERENDUM - ROOSEVELT NON-EDUCATIONAL IMPROVEMENTS
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 8,739,450.00	\$ _____	\$ 8,739,450.00	\$ 8,739,450.00
Total Revenues and Other Financing Sources	<u>8,739,450.00</u>	<u>_____</u>	<u>8,739,450.00</u>	<u>8,739,450.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	18,852.99	5,159.51	24,012.50	43,696.00
Purchased Professional and Technical Services	514,449.31	135,345.14	649,794.45	954,806.50
Construction Services	<u>_____</u>	<u>1,281,665.93</u>	<u>1,281,665.93</u>	<u>7,740,947.50</u>
Total Expenditures and Other Financing Uses	<u>533,302.30</u>	<u>1,422,170.58</u>	<u>1,955,472.88</u>	<u>\$ 8,739,450.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 8,206,147.70</u>	<u>\$ (1,422,170.58)</u>	<u>\$ 6,783,977.12</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4290-120-20-3000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$8,739,450.00			
Bonds Issued	\$8,739,450.00			
Original Authorized Cost	\$8,739,450.00			
Additional Authorized Cost				
Revised Authorized Cost	\$8,739,450.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	22.38%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM - ROOSEVELT ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 930,726.00	\$ _____	\$ 930,726.00	\$ 930,726.00
Total Revenues and Other Financing Sources	<u>930,726.00</u>	<u>_____</u>	<u>930,726.00</u>	<u>930,726.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	1,881.65	549.47	2,431.12	4,654.00
Purchased Professional and Technical Services	62,678.73	8,842.79	71,521.52	97,772.00
Construction Services	75,668.15	753,795.00	829,463.15	828,300.00
Total Expenditures and Other Financing Uses	<u>140,228.53</u>	<u>763,187.26</u>	<u>903,415.79</u>	<u>\$ 930,726.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 790,497.47</u>	<u>\$ (763,187.26)</u>	<u>\$ 27,310.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4910-X01-17-1000			
Bond Authorization Date	12/13/17			
Bonds Authorized	\$930,726.00			
Bonds Issued	\$930,726.00			
Original Authorized Cost	\$930,726.00			
Additional Authorized Cost				
Revised Authorized Cost	\$930,726.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	97.07%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM - ACADEMY NON-EDUCATIONAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 7,531,429.00	\$ _____	\$ 7,531,429.00	\$ 7,531,429.00
Total Revenues and Other Financing Sources	<u>7,531,429.00</u>	<u>_____</u>	<u>7,531,429.00</u>	<u>7,531,429.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	15,226.26	4,446.33	19,672.59	37,656.00
Purchased Professional and Technical Services	239,493.67	296,398.81	535,892.48	787,073.00
Construction Services	<u>_____</u>	<u>1,308,725.19</u>	<u>1,308,725.19</u>	<u>6,706,700.00</u>
Total Expenditures and Other Financing Uses	<u>254,719.93</u>	<u>1,609,570.33</u>	<u>1,864,290.26</u>	<u>\$ 7,531,429.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 7,276,709.07</u>	<u>\$ (1,609,570.33)</u>	<u>\$ 5,667,138.74</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4290-060-20-2000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$7,531,429.00			
Bonds Issued	\$7,531,429.00			
Original Authorized Cost	\$7,531,429.00			
Additional Authorized Cost				
Revised Authorized Cost	\$7,531,429.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	24.75%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM - HIGH SCHOOL EDUCATIONAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 272,176.00	\$ _____	\$ 272,176.00	\$ 272,176.00
Total Revenues and Other Financing Sources	<u>272,176.00</u>	<u>_____</u>	<u>272,176.00</u>	<u>272,176.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	550.26	160.67	710.93	1,361.00
Purchased Professional and Technical Services	9,189.41	10,388.49	19,577.90	30,135.00
Construction Services	_____	_____	_____	240,680.00
Total Expenditures and Other Financing Uses	<u>9,739.67</u>	<u>10,549.16</u>	<u>20,288.83</u>	<u>\$ 272,176.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>262,436.33</u>	\$ <u>(10,549.16)</u>	\$ <u>251,887.17</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4290-050-20-1000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$272,176.00			
Bonds Issued	\$272,176.00			
Original Authorized Cost	\$272,176.00			
Additional Authorized Cost				
Revised Authorized Cost	\$272,176.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	7.45%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM - HIGH SCHOOL NON-EDUCATIONAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 7,590,656.00	\$ _____	\$ 7,590,656.00	\$ 7,590,656.00
Total Revenues and Other Financing Sources	<u>7,590,656.00</u>	<u>_____</u>	<u>7,590,656.00</u>	<u>7,590,656.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	15,346.14	4,481.33	19,827.47	37,953.00
Purchased Professional and Technical Services	179,065.36	335,912.60	514,977.96	776,862.00
Construction Services	<u>777.43</u>	<u>201,030.53</u>	<u>201,807.96</u>	<u>6,775,841.00</u>
Total Expenditures and Other Financing Uses	<u>195,188.93</u>	<u>541,424.46</u>	<u>736,613.39</u>	<u>\$ 7,590,656.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 7,395,467.07</u>	<u>\$ (541,424.46)</u>	<u>\$ 6,854,042.61</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	4290-050-20-3000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$7,590,656.00			
Bonds Issued	\$7,590,656.00			
Original Authorized Cost	\$7,590,656.00			
Additional Authorized Cost				
Revised Authorized Cost	\$7,590,656.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	9.70%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

LONG-TERM LIABILITY SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Installment Purchases.

RAHWAY SCHOOL DISTRICT
 LONG-TERM LIABILITY
 SCHEDULE OF SERIAL BONDS
 JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2022	RETIRED	BALANCE JUNE 30, 2023
			DATE	AMOUNT				
2017 Refunding School Bonds	10/12/17	\$ 14,270,000.00	02/15/24	\$ 1,325,000.00	4.000%	\$ 10,705,000.00	\$ 1,330,000.00	\$ 9,375,000.00
			02/15/25	1,320,000.00	5.000%			
			02/15/26	1,330,000.00	5.000%			
			02/15/27	1,335,000.00	5.000%			
			02/15/28	1,345,000.00	5.000%			
			02/15/29	1,355,000.00	5.000%			
	02/15/30	1,365,000.00	3.000%					
2021 School Bonds	12/15/21	38,714,000.00	07/15/23	1,264,000.00	2.000%	38,714,000.00		38,714,000.00
			07/15/24-29	1,250,000.00	2.000%			
			07/15/30-31	2,500,000.00	2.000%			
			07/15/32-39	2,500,000.00	2.125%			
			07/15/40	2,500,000.00	2.250%			
			07/15/41	2,450,000.00	2.250%			
						\$ 49,419,000.00	\$ 1,330,000.00	\$ 48,089,000.00

RAHWAY SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASES
AS OF JUNE 30, 2023

<u>PURPOSE</u>	<u>AMOUNT OF INSTALLMENT PURCHASE</u>	<u>ANNUAL MATURITIES DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>
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Not Applicable

RAHWAY SCHOOL DISTRICT
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 2,167,397.00	\$ 2,167,397.00	\$
State Sources:			
Debt Service Aid	<u>364,534.00</u>	<u>364,534.00</u>	<u> </u>
Total Revenues	<u>\$ 2,531,931.00</u>	<u>\$ 2,531,931.00</u>	<u>\$</u>
EXPENDITURES:			
Regular Debt Service:			
Interest	\$ 1,360,693.00	\$ 1,360,692.92	\$ (0.08)
Redemption of Principal	<u>1,330,000.00</u>	<u>1,330,000.00</u>	<u> </u>
Total Expenditures	<u>\$ 2,690,693.00</u>	<u>\$ 2,690,692.92</u>	<u>\$ (0.08)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (158,762.00)</u>	<u>\$ (158,761.92)</u>	<u>\$ (0.08)</u>
Other Financing Sources:			
Operating Transfers In	<u>\$</u>	<u>\$ 788.79</u>	<u>\$ 788.79</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures		\$ (157,973.13)	
Fund Balance, July 1		<u>163,517.71</u>	
Fund Balance, June 30		<u>\$ 5,544.58</u>	

STATISTICAL SECTION
(UNAUDITED)

RAHWAY SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-5
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

CITY OF RAHWAY SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 28,376,683	\$ 30,207,183	\$ 30,063,065	\$ 29,781,907	\$ 31,546,571	\$ 29,646,771	\$ 30,766,084	\$ 30,968,536	\$ 2,254,747	\$ 10,542,996
Restricted	943,686	987,382	784,434	895,635	1,800,789	1,534,928	3,891,630	8,752,905	50,795,908	48,375,963
Unrestricted (Deficit)	(13,844,069)	(13,893,485)	(13,856,923)	(15,214,688)	(17,021,587)	(15,216,709)	(14,958,082)	(13,346,570)	(13,922,062)	(13,045,445)
Total governmental activities net position	\$ 15,476,300	\$ 17,311,050	\$ 17,000,576	\$ 15,462,874	\$ 16,325,773	\$ 15,962,990	\$ 19,701,652	\$ 26,374,871	\$ 39,128,593	\$ 45,873,514
Business-type activities										
Invested in capital assets	\$ 233,410	\$ 218,345	\$ 210,704	\$ 237,965	\$ 277,235	\$ 399,064	\$ 245,196	\$ 264,596	\$ 300,560	\$ 374,028
Unrestricted	228,535	262,250	327,426	378,393	408,276	301,064	423,782	509,942	887,745	1,084,242
Total business-type activities net position	\$ 461,945	\$ 480,595	\$ 538,130	\$ 616,358	\$ 685,511	\$ 700,128	\$ 668,978	\$ 774,538	\$ 1,188,305	\$ 1,458,270
Government-wide										
Net investment in capital assets	\$ 28,610,093	\$ 30,425,528	\$ 30,273,769	\$ 30,019,872	\$ 31,823,806	\$ 30,045,835	\$ 31,011,280	\$ 31,233,132	\$ 2,555,307	\$ 10,917,024
Restricted	943,686	987,382	784,434	895,635	1,800,789	1,534,928	3,891,630	8,752,905	50,795,908	48,375,963
Unrestricted (Deficit)	(13,615,534)	(13,631,235)	(13,529,497)	(14,836,275)	(16,613,311)	(14,917,645)	(14,532,880)	(12,836,628)	(13,034,317)	(11,961,203)
Total government-wide net position	\$ 15,938,245	\$ 17,791,645	\$ 17,538,706	\$ 16,079,232	\$ 17,011,284	\$ 16,663,118	\$ 20,370,630	\$ 27,149,409	\$ 40,316,898	\$ 47,331,784

Source: ACFR Schedule A-1

CITY OF RAHWAY SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED
Year ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses & Indirect Allocation:										
Governmental activities:										
Instruction										
Regular	\$ 25,260,411	\$ 29,461,779	\$ 30,435,067	\$ 33,754,182	\$ 36,120,448	\$ 37,077,468	\$ 34,208,910	\$ 38,750,801	\$ 33,302,338	\$ 34,962,234
Special education	12,686,875	13,953,279	15,323,175	16,122,698	16,379,398	16,515,940	16,219,928	18,219,928	18,884,244	18,517,633
Other instruction	4,860,384	5,910,360	6,568,627	7,273,051	6,888,664	6,551,102	6,501,603	4,754,837	6,583,200	5,866,226
School Sponsored Activities and Athletics	1,248,951	1,864,893	1,509,226	1,710,069	2,833,299	1,466,336	1,361,485	1,354,162		
Support Services:										
Student & instruction related services	8,897,984	10,061,008	10,376,087	11,554,534	11,038,296	12,466,445	14,422,099	13,698,085	15,810,861	16,603,443
General administrative services	3,186,233	3,744,723	3,905,494	4,365,967	4,278,755	3,902,595	3,892,595	5,578,488	5,964,863	1,357,489
School administrative services	2,322,957	2,410,663	2,611,111	2,912,724	3,006,425	2,525,423	2,669,815	3,542,863	5,304,254	5,304,254
Business administrative services	6,218,664	5,421,145	6,118,554	6,951,651	6,596,710	6,866,975	5,537,396	5,630,763	4,878,158	1,537,055
Plant operations and maintenance	2,850,016	2,979,789	3,188,226	3,468,215	3,257,858	3,152,555	3,164,305	4,686,022	5,236,117	4,978,158
Pupil transportation	1,611,585	1,010,774	864,640	879,693	631,501	519,428	404,319	785,745	1,281,041	6,216,596
Interest on Long-Term Debt	554,153	823,339	2,888,171	2,082,760	2,084,193	2,072,580	2,875,580	2,123,933	2,268,784	2,189,170
Unallocated Depreciation	89,239,213	77,847,955	82,885,378	91,014,944	92,915,547	93,219,169	91,093,003	97,210,714	95,025,713	98,823,302
Total governmental activities expenses	1,197,792	1,824,015	1,847,485	1,821,104	1,899,302	2,163,227	1,824,566	976,948	2,453,687	2,717,805
Business-type activities:										
Food service	1,397,792	1,824,015	1,847,485	1,821,104	1,899,302	2,163,227	1,824,566	976,948	2,453,687	2,717,805
Total business-type activities expense	1,397,792	1,824,015	1,847,485	1,821,104	1,899,302	2,163,227	1,824,566	976,948	2,453,687	2,717,805
Total district expense:	71,097,905	78,471,970	84,735,343	92,336,049	94,914,846	95,382,721	92,729,566	98,167,682	98,463,380	101,541,100
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 134,282	\$ 236,132	\$ 331,789	\$ 350,879	\$ 164,918	\$ 97,632	\$ 31,015	\$ 71,173	\$ 292,612	\$ 385,729
School Sponsored Co-Curricular	11,361,400	16,852,052	21,805,690	27,806,766	30,960,984	28,280,113	26,793,693	35,638,337	23,462,321	22,350,465
Operating grants and contributions	68,040	762,097	54,915	33,202	193,596	111,105	117,434	117,434		
Capital grants and contributions	11,560,722	19,850,271	22,190,394	28,190,847	31,339,456	28,468,859	27,458,478	35,992,720	23,755,133	22,746,194
Total governmental activities program revenues	11,560,722	19,850,271	22,190,394	28,190,847	31,339,456	28,468,859	27,458,478	35,992,720	23,755,133	22,746,194
Business-type activities:										
Charges for services	619,787	607,632	641,764	692,435	767,537	827,039	570,014	7,705	150,682	821,153
Food service	1,179,829	1,295,039	1,263,236	1,306,897	1,300,918	1,350,805	1,168,404	1,074,603	2,710,732	1,955,038
Operating grants and contributions	1,799,616	1,842,665	1,905,000	1,999,332	2,068,455	2,177,844	1,735,418	1,867,434	2,667,434	2,785,190
Total business-type activities program revenues	13,363,339	21,692,936	24,696,394	30,190,179	33,407,913	31,846,694	29,193,896	37,075,225	26,622,567	25,532,384
Total district program revenues:	13,363,339	21,692,936	24,696,394	30,190,179	33,407,913	31,846,694	29,193,896	37,075,225	26,622,567	25,532,384
Net (Expense)/Revenue	\$ (57,735,491)	\$ (57,797,684)	\$ (60,897,984)	\$ (62,824,097)	\$ (61,576,089)	\$ (61,750,644)	\$ (63,835,525)	\$ (61,218,014)	\$ (72,273,580)	\$ (76,077,108)
Governmental activities:										
Property taxes levied for general purposes, net	1,824	18,650	57,535	78,229	69,153	14,617	105,852	105,560	413,767	66,334
Taxes Levied for Debt Service	(57,733,667)	(57,779,034)	(60,840,449)	(62,745,869)	(61,506,936)	(63,736,027)	(63,531,673)	(61,112,454)	(71,859,813)	(76,009,724)
Federal and State Aid Not Restricted										
State Aid Restricted for Debt Service										
Investment Earnings										
Miscellaneous income										
Total governmental activities	\$ (57,735,491)	\$ (57,797,684)	\$ (60,897,984)	\$ (62,824,097)	\$ (61,576,089)	\$ (61,750,644)	\$ (63,835,525)	\$ (61,218,014)	\$ (72,273,580)	\$ (76,077,108)
Business-type activities:										
Property taxes levied for general purposes, net	37,911,982	39,216,163	40,000,486	40,800,496	41,616,506	42,229,149	43,073,732	44,796,679	44,796,679	45,692,613
Taxes Levied for Debt Service	2,350,104	2,359,901	2,341,924	2,354,271	2,357,438	2,336,278	2,241,403	1,826,494	1,798,210	2,167,397
Federal and State Aid Not Restricted	17,801,370	17,637,807	17,865,449	17,725,995	18,387,937	18,273,727	19,886,661	20,844,989	31,600,110	34,794,458
State Aid Restricted for Debt Service	128,002	131,246	136,551	141,947	147,560	153,103	154,994	32,143		
Investment Earnings	5,203	4,958	4,958	7,184	43,744	88,982	55,990	35,679		
Miscellaneous income	191,998	281,653	218,142	246,502	337,652	306,622	229,351	355,249	452,586	1,589,243
Total business-type activities	58,198,559	59,632,434	60,387,510	61,236,395	62,890,837	63,387,861	65,642,131	67,891,233	78,652,565	84,243,711
Business-type activities:										
Miscellaneous income										
Miscellaneous income										
Total business-type activities:	58,198,559	59,632,434	60,387,510	61,236,395	62,890,837	63,387,861	65,642,131	67,891,233	78,652,565	84,243,711
Change in Net Position	\$ 463,168	\$ 1,834,750	\$ (310,474)	\$ (1,537,702)	\$ 1,314,748	\$ (362,783)	\$ 2,006,606	\$ 6,673,219	\$ 6,378,985	\$ 8,166,603
Governmental activities	1,824	18,650	57,535	78,229	69,153	14,617	105,852	105,560	413,767	166,422
Business-type activities	461,344	1,816,099	(368,009)	(1,615,931)	1,245,595	(547,396)	1,900,754	6,567,659	6,365,218	7,999,181
Total district	\$ 463,168	\$ 1,834,750	\$ (310,474)	\$ (1,537,702)	\$ 1,314,748	\$ (362,783)	\$ 2,006,606	\$ 6,673,219	\$ 6,378,985	\$ 8,166,603

Source: ACFR Schedule A-2

CITY OF RAHWAY SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund							(Restated)			
Restricted	\$ 3,123,665	\$ 3,266,531	\$ 3,242,254	\$ 3,156,217	\$ 5,136,815	\$ 5,163,027	\$ 7,211,000.00	\$ 9,822,711.00	\$ 14,085,866.08	\$ 20,254,846.33
Assigned	1,182,358	1,561,419	1,313,967	1,633,539	1,364,585	692,591	470,840.00	390,978.00	558,249.58	755,240.00
Unassigned	(780,017)	(1,083,300)	(1,032,327)	(1,116,141)	(1,248,642)	(1,279,139)	(1,567,631)	(223,877)	1,257,104	
Total general fund	\$ 3,526,006	\$ 3,744,650	\$ 3,523,894	\$ 3,673,615	\$ 5,252,758	\$ 4,576,479	\$ 6,114,209	\$ 9,989,812	\$ 15,901,219	\$ 21,010,086
All Other Governmental Funds										
Restricted	\$ 235,327	\$ 258,772	\$ 171,370	\$ 170,025	\$ 174,979	\$ 546,075	\$ 615,286	\$ 2,640,335	\$ 31,720,189	\$ 10,835,094
Committed		(8,931)		(927)					5,644,216	17,810,172
Unassigned (deficit)									(490,846)	(518,605)
Total all other governmental funds	\$ 235,327	\$ 249,841	\$ 171,370	\$ 169,098	\$ 174,979	\$ 546,075	\$ 615,286	\$ 2,640,335	\$ 36,873,559	\$ 28,126,661

Source: ACFR Schedule B-1

CITY OF RAHWAY SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED

	Year ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax/levy	\$ 40,272,086	\$ 41,576,064	\$ 42,342,410	\$ 43,164,767	\$ 43,973,944	\$ 44,565,427	\$ 45,315,135	\$ 46,623,173	\$ 46,594,889	\$ 47,860,010
Tuition Charges	134,282	236,132	331,789	350,879	184,918	97,632	31,015	71,173	19,954	4,199
Interest Earnings	5,203	5,864	4,958	7,184	43,744	88,982	55,990	35,679	798,241	35,001
Miscellaneous	229,026	1,015,179	310,280	351,387	362,585	359,755	486,424	541,064	759,569	1,052,532
State sources	27,194,310	28,279,334	29,006,061	29,951,219	33,798,980	38,211,749	40,708,971	43,908,210	53,336,708	57,246,475
Federal sources	1,921,288	2,017,130	1,965,221	1,963,366	1,974,464	1,930,452	1,959,993	3,404,131	3,864,386	5,580,011
Total revenue	69,756,195	73,129,703	73,960,719	75,788,802	80,338,635	85,253,997	88,557,498	94,584,430	104,610,507	112,541,468
Expenditures										
Instruction										
Regular instruction	25,153,720	26,325,219	26,086,026	26,695,428	29,178,860	33,319,376	31,910,455	34,297,301	22,620,675	23,298,789
Special education instruction	12,553,276	13,025,789	13,957,864	13,784,205	14,065,015	15,268,374	16,022,703	16,706,874	8,201,138	8,331,539
Other instruction	6,110,335	6,529,226	6,764,472	7,057,419	8,004,534	7,202,082	7,419,047	5,465,723	3,691,521	3,772,309
Support Services:										
Tuition	8,887,441	9,409,499	9,142,151	9,517,981	9,077,915	11,408,307	13,727,178	12,469,697	6,541,794	7,032,994
Student & instruction related services	1,078,082	1,097,749	1,185,225	1,132,094	1,389,832	1,201,899	1,285,869	1,301,851	1,204,285	1,344,175
General administration services	3,177,700	3,384,777	3,387,118	3,522,731	3,496,204	3,564,583	3,657,430	4,934,847	3,388,066	1,298,137
School administration services	1,187,903	1,263,954	1,308,361	1,372,351	1,352,776	1,375,720	1,527,533	1,891,345	1,404,064	3,476,253
Central Services / Administration Info. Technology	6,144,933	5,426,941	5,958,799	6,205,672	5,991,319	6,420,522	5,496,400	5,450,989	5,076,899	1,665,701
Plant operations and maintenance	2,845,722	2,974,809	3,180,317	3,396,606	3,245,247	3,246,602	3,159,370	3,144,273	5,245,119	5,236,402
Pupil transportation	609,538	1,213,129	143,181	42,765	223,255	202,594	917,622	920,420	27,826,372	6,230,173
Unallocated benefits	1,824,339	2,141,601	2,184,163	2,031,201	2,196,185	1,840,000	2,019,235	1,519,770	4,547,269	10,748,777
Capital outlay	1,031,219	1,002,525	962,269	882,900	706,084	714,816	669,735	590,668	1,310,000	1,330,000
Debt Service:										
Principal	70,603,906	73,795,218	74,259,946	75,641,355	78,927,226	85,764,875	87,822,567	88,683,778	533,800	1,360,693
Refunding Escrow	(847,713)	(665,515)	(299,227)	147,449	1,411,409	(510,878)	734,931	5,900,652	1,430,632	(3,638,032)
Interest and Other Charges	440,000	898,673			16,176,649				38,714,000	
Total expenditures	1,549	505,872	1,126	3,246	(16,003,034)	205,695	220,505	3,141,861	394,236	549,987
Excess (Deficiency) of revenues over (under) expenditures	(1,549)	(505,872)	(1,126)	(3,246)	(8,753)	(386,361)	(220,505)	(3,141,861)	(394,236)	(549,987)
Other Financing sources (uses)	440,000	898,673			173,615	205,695			38,714,000	
Capital leases (non-budgeted)										
Proceeds from Bond Sale										
Transfers from Refunding Lease										
Transfers in										
Transfers out										
Total other financing sources (uses)	440,000	898,673			173,615	205,695			38,714,000	
Net change in fund balances	\$ (407,713)	\$ 233,158	\$ (299,227)	\$ 147,449	\$ 1,585,024	\$ (305,183)	\$ 734,931	\$ 5,900,652	\$ 40,144,632	\$ (3,638,032)

Source: ACFR Schedule B-2

CITY OF RAHWAY SCHOOL DISTRICT
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
 UNAUDITED

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Refunds	Athletic Admissions	BPU Solar Rebates	E-Rate	Canceled Payable Checks	Miscellaneous	Total
2014	\$ 5,203	\$ 134,282	\$ 53,130	11,416	\$	\$ 23,619	\$	102,284	\$ 329,934
2015	4,521	236,132	12,270	10,525	43,730	72,520		142,608	522,306
2016	3,632	331,789	28,725	11,636	36,600	51,066		90,315	553,763
2017	4,940	350,879	37,865	14,634	72,900	4,317		116,766	602,321
2018	34,991	184,918	44,285	13,144	98,800	43,218		138,205	557,561
2019	73,577	97,632	102,178	16,653	28,872	36,756		122,163	477,831
2020	36,945	31,015	18,091	11,757	23,540		61,195	175,963	358,506
2021	21,646	71,173	231,025	2,142	38,940	30,165		52,977	448,068
2022	35,001		51,419	6,711				334,726	427,857
2023	798,241	5,054	25,128	9,840				579,744	1,418,007

Source: District Records

CITY OF RAHWAY SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 UNAUDITED

Fiscal Year Ended June 30	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2014	\$ 11,552,100	\$ 969,663,300	\$ 125,353,600	\$ 288,210,100	\$ 51,914,300	\$ 1,446,714,200	\$ 3,097,847	\$ 1,448,812,047	\$ 2,719,883,254	2.823
2015	11,689,800	965,379,100	128,395,100	288,458,100	51,824,500	1,445,750,600	3,442,157	1,449,192,757	2,525,811,497	2.696
2016	9,648,500	967,400,100	132,439,900	272,162,800	72,261,000	1,453,912,300	3,542,314	1,457,454,614	2,529,176,515	2.935
2017	9,758,100	966,655,600	130,209,200	272,104,200	72,236,600	1,450,963,700	57	1,450,963,757	2,543,223,255	3.003
2018	13,442,400	968,768,800	128,482,600	249,791,200	67,738,510	1,428,223,510	55	1,428,223,565	2,582,162,059	3.100
2019	12,726,700	971,631,900	129,481,300	249,772,000	67,738,500	1,431,290,400	51	1,431,290,451	2,565,496,417	3.140
2020	14,225,300	975,344,850	127,167,150	250,115,600	68,948,400	1,435,801,351	51	1,435,801,351	2,998,857,784	3.158
2021	13,139,700	981,387,950	125,754,350	250,115,600	70,863,500	1,441,271,151	51	1,441,271,151	2,958,505,052	3.234
2022	12,815,700	988,130,150	129,002,050	250,115,600	70,860,100	1,450,623,600	51	1,450,623,651	3,225,232,057	3.300
2023	18,888,100	995,708,116	126,615,750	252,445,600	68,749,200	1,462,406,766	41	1,462,406,807	3,579,148,878	3.345

Source: District records Tax list summary & Municipal Tax Assessor
 Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when ordered by the County Board of Taxation

*-Data Not Available

(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(b): Tax rates are per \$100

CITY OF RAHWAY SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Year Ended December 31	Rahway School District		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	Total Direct	City of Rahway	Union County	
2014	\$ 2.823	\$ 2.823	\$ 2.399	\$ 0.982	6.204
2015	2.896	2.896	2.490	0.931	6.317
2016	2.935	2.935	2.519	0.935	6.389
2017	3.003	3.003	2.581	0.944	6.528
2018	3.100	3.100	2.642	0.951	6.693
2019	3.140	3.140	2.679	1.018	6.837
2020	3.158	3.158	2.716	1.051	6.925
2021	3.234	3.234	2.716	1.001	6.951
2022	3.300	3.300	2.713	1.009	7.022
2023	3.345	3.345	2.825	1.002	7.172

Source: District Records and Municipal Tax Collector

CITY OF RAHWAY SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

Taxpayer	2023				2014			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Merck Sharp & Dohme Corp.	\$ 196,750,200	1	13.45%	Merck & Co.	\$ 230,082,500	1	15.90%	
PSQ TIC II Holdings LLC	14,505,400	2	0.99%	80 E Milton Avenue LLC	18,449,600	2	1.28%	
Park Terrace at Rahway, LLC	6,684,500	3	0.46%	Park Terrace at Rahway, LLC	6,684,500	3	0.46%	
Alard Realty Associates, LLC	5,477,900	4	0.37%	Alard Realty Enterprises	5,477,900	4	0.38%	
Skyview at Rahway LLC	5,409,700	5	0.37%	3101-15 Ave I, LLC	5,362,000	5	0.37%	
Family Hospitality LLC	5,207,000	6	0.36%	New Jersey Bell	4,894,184	6	0.34%	
3101-15 Ave I, LLC	5,000,000	7	0.34%	Woodbridge Plaza, LLC	4,329,500	7	0.30%	
Woodbridge Avenel LLC	4,025,000	8	0.28%	Rahway Industrial Site	4,296,900	8	0.30%	
HRM 970 New Brunswick LLC	2,665,300	9	0.18%	Ninette Group LP	3,659,600	9	0.25%	
313 Regina Ave A LLC	3,659,600	10	0.25%	RSJ Bank	3,441,400	10	0.24%	
Total	\$ 249,384,600		17.05%	Total	\$ 286,678,084		19.82%	

Source: Municipal Tax Assessor

CITY OF RAHWAY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	Percentage of Levy	Collections in Subsequent Years
2014	\$ 40,272,086	\$ 40,272,086	100.00%	0
2015	41,576,064	41,576,064	100.00%	0
2016	42,342,410	42,342,410	100.00%	0
2017	43,164,767	43,164,767	100.00%	0
2018	43,973,944	43,973,944	100.00%	0
2019	44,565,427	44,565,427	100.00%	0
2020	45,315,135	45,315,135	100.00%	0
2021	46,623,173	46,623,173	100.00%	0
2022	46,594,889	46,594,889	100.00%	0
2023	47,860,010	46,360,008	96.87%	1,500,002

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount certified prior to the end of the school.

EXHIBIT "J-10"

CITY OF RAHWAY SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities						Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases						
2014	\$ 21,100,000.00	\$ 3,795,000.00	\$ 829,477.00			25,724,477.00	1.52%	\$ 892.53	
2015	20,080,000.00	3,225,000.00	1,176,549.00			24,481,549.00	1.38%	839.24	
2016	19,025,000.00	2,630,000.00	642,386.00			22,297,386.00	1.23%	761.42	
2017	17,930,000.00	2,010,000.00	326,185.00			20,266,185.00	1.06%	684.02	
2018	15,600,000.00	1,365,000.00				16,965,000.00	0.85%	569.18	
2019	14,430,000.00	695,000.00	448,309.00			15,573,309.00	0.76%	520.65	
2020	13,315,000.00		448,309.00			13,763,309.00	0.64%	461.36	
2021	12,015,000.00		228,539.00			12,243,539.00	0.53%	409.33	
2022	49,419,000.00					49,419,000.00	N/A	1,664.33	
2023	48,089,000.00					48,089,000.00	N/A	N/A	

Source: District ACFR Schedules I-2.
N/A-Not Available

^a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

CITY OF RAHWAY SCHOOL DISTRICT
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
 UNAUDITED

General Bonded Debt Outstanding						
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b	
2014	\$ 21,100,000.00	\$	\$ 21,100,000.00	1.46%	\$	732.08
2015	20,080,000.00		20,080,000.00	1.39%		688.35
2016	19,025,000.00		19,025,000.00	1.31%		649.67
2017	17,930,000.00		17,930,000.00	1.24%		605.17
2018	15,600,000.00		15,600,000.00	1.09%		523.38
2019	14,430,000.00		14,430,000.00	1.01%		482.43
2020	13,315,000.00		13,315,000.00	0.93%		446.33
2021	12,015,000.00		12,015,000.00	0.83%		401.69
2022	49,419,000.00		49,419,000.00	3.41%		1,664.33
2023	48,089,000.00		48,089,000.00	3.29%		N/A

Source: District records

N/A-Not Available

Notes:

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14.

CITY OF RAHWAY SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2022
 UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Board of Education	\$ 48,089,000	100.00%	\$ 48,089,000
Other debt			
City	\$ 58,398,199	100.00%	\$ 58,398,199
County	535,795,259	3.85%	20,648,905
Subtotal, overlapping debt	\$ 594,193,458		\$ 79,047,104
Total direct and overlapping debt	<u>\$ 642,282,458</u>		<u>\$ 127,136,104</u>

Sources: City Chief Financial Officer, and County Treasurer's Office

CITY OF RAHWAY SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	
2022	\$ 3,524,352,770
2021	3,160,209,841
2020	2,922,453,287
[A]	<u>\$ 9,627,015,898</u>

[A/B]	\$ 3,209,005,239
[B]	128,360,212
[C]	48,089,000
[B-C]	<u>\$ 80,271,212</u>

Average equalized valuation of taxable property
Debt limit (4 % of average equalized value)
Net bonded school debt
Legal debt margin

	Calendar Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 116,288,356	\$ 107,165,113	\$ 102,499,225	\$ 100,183,911	\$ 101,539,711	\$ 105,440,232	\$ 111,305,338	\$ 115,594,589	\$ 120,912,712	\$ 128,360,212
Total net debt applicable to limit	21,100,000	20,080,000	19,025,000	17,830,000	15,600,000	14,430,000	13,315,000	12,015,000	49,419,000	48,089,000
Legal debt margin	<u>\$ 95,188,356</u>	<u>\$ 87,085,113</u>	<u>\$ 83,474,225</u>	<u>\$ 82,253,911</u>	<u>\$ 85,939,711</u>	<u>\$ 91,010,232</u>	<u>\$ 97,990,338</u>	<u>\$ 103,579,589</u>	<u>\$ 71,493,712</u>	<u>\$ 80,271,212</u>
Total net debt applicable to the limit as a percentage of debt limit	18.14%	18.74%	18.56%	17.90%	0.00%	13.69%	11.96%	10.39%	40.87%	37.46%

Source: Abstract of Ratables and District Records.

CITY OF RAHWAY SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2013	28,254	\$ 1,568,407,794 \$	55,511.00	9.00%
2014	28,822	1,688,075,718	58,569.00	7.50%
2015	29,171	1,767,645,916	60,596.00	6.60%
2016	29,284	1,814,963,752	61,978.00	5.60%
2017	29,628	1,906,324,776	64,342.00	5.30%
2018	29,806	2,007,314,876	67,346.00	4.50%
2019	29,911	2,059,880,837	68,867.00	4.00%
2020	29,832	2,164,102,776	72,543.00	10.50%
2021	29,911	2,303,356,377	77,007.00	7.40%
2022	29,693	N/A	N/A	4.40%
2023	N/A	N/A	N/A	N/A

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Personal income has been estimated based on the municipal population and the per capita personal income presented.

^c Per Capita personal income by municipality estimated based upon the census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A-Not Available

EXHIBIT "J-15"

CITY OF RAHWAY SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

Employer	2023 - N/A			2014 - N/A		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

N/A-Not Available

CITY OF RAHWAY SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 UNAUDITED

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular	237.0	237.0	237.0	236.0	252.0	257.0	257.0	254.0	257.0	265.0
Special education	103.0	103.0	103.0	103.0	103.0	107.0	107.0	138.0	144.0	146.0
Other instruction	48.0	48.0	48.0	48.0	48.0	48.0	48.0	40.0	33.0	34.0
Support Services:										
Student & instruction related services	28.0	28.0	28.0	27.0	31.0	32.0	32.0	45.0	42.0	47.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	26.0	26.0	26.0	26.0	26.0	26.0	26.0	33.0	37.0	37.0
Central Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	6.0	6.0
Administrative Information Technology	4.0	4.0	4.0	4.0	4.0	4.0	4.0	6.0	6.0	6.0
Plant operations and maintenance	37.0	37.0	37.0	36.0	36.0	36.0	36.0	33.0	34.0	34.0
Pupil Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Other Support Services	65.0	65.0	65.0	65.0	65.0	65.0	65.0	47.0	44.0	45.0
Total	558.0	558.0	558.0	555.0	575.0	585.0	585.0	605.0	607.0	625.0

Source: District Personnel Records

CITY OF RAHWAY SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Teaching Staff b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE), c	Average Daily Attendance (ADA), c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	3,674	\$ 67,136,812	18,274	0.17%	312	1:13	1:13	1:12	3,715	3,491	-2.22%	93.97%
2015	3,674	70,651,092	19,230	5.23%	312	1:13	1:13	1:12	3,749	3,552	0.92%	94.21%
2016	3,794	70,970,333	18,706	-2.73%	315	1:14	1:14	1:13	3,794	3,555	0.15%	94.17%
2017	3,835	72,684,487	18,953	1.32%	315	1:14	1:14	1:13	3,754	3,535	0.00%	94.17%
2018	3,899	75,801,702	19,441	2.58%	319	1:13	1:12	1:11	3,813	3,561	1.57%	93.39%
2019	3,899	83,007,465	21,289	9.51%	319	1:13	1:12	1:11	3,944	3,699	3.44%	93.79%
2020	3,901	84,215,975	21,588	1.40%	319	1:13	1:12	1:11	3,933	3,769	-0.26%	95.83%
2021	3,855	85,652,900	22,219	2.92%	319	1:13	1:12	1:11	4,041	3,667	2.75%	90.74%
2022	3,875	98,632,606	25,454	14.56%	336	1:13	1:12	1:11	3,987	3,624	-1.09%	90.67%
2023	3,934	105,430,723	26,800	5.29%	336	1:12	1:12	1:12	4,099	3,731	2.55%	91.02%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

CITY OF RAHWAY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary										
Franklin School	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760
Square Feet	661	661	661	661	661	661	661	661	661	661
Capacity (students)	542	542	644	661	718	656	609	626	682	682
Enrollment	46,375	68,825	68,825	68,825	68,825	68,825	68,825	68,825	68,825	68,825
Cleveland School	340	532	540	540	540	540	540	540	540	540
Square Feet	336	528	538	543	551	511	513	482	548	548
Capacity (students)	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015
Enrollment	322	322	322	322	322	322	322	322	322	322
Madison School	299	299	365	350	351	354	338	369	407	407
Square Feet	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810
Capacity (students)	754	754	754	754	754	754	754	754	754	754
Enrollment	666	666	627	612	611	602	579	587	617	617
Middle School										
Square Feet	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611
Capacity (students)	913	913	913	913	913	913	913	913	913	913
Enrollment	949	949	557	651	694	767	728	689	729	729
High School										
Square Feet	176,135	176,135	176,135	176,135	176,135	176,135	176,135	176,135	176,135	176,135
Capacity (students)	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084
Enrollment	1,087	1,072	1,070	1,092	1,025	1,041	1,087	1,223	1,312	1,312
Other										
Square Feet-Ace Building-St Mary's	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Square Feet-Press Box-Vets Field	200	200	200	200	200	200	200	200	200	200
Square Feet-Hogland Field House	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Square Feet-Concession Stand - Vets	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930
Square Feet-Athletic Office/Locker Room										

Number of Schools at June 30, 2023
 Elementary = 4
 Middle School = 1
 Senior High School = 1
 Other = 5

Source: District records, ASSA

CITY OF RAYWAY SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE
 UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX

School Facilities	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Madison	\$ 186,994	\$ 113,881	\$ 86,836	\$ 67,958	\$ 89,540	\$ 72,157	\$ 113,132	\$ 86,606	\$ 72,874	\$ 113,789
Grover Cleveland	79,586	145,105	110,644	86,590	104,054	83,854	122,773	69,824	105,466	104,084
Roosevelt	98,485	166,156	126,697	99,153	113,184	91,211	161,912	105,831	109,027	135,447
Franklin	113,719	172,376	131,439	102,864	116,819	94,141	135,041	140,108	137,626	121,072
Middlesex School	345,155	304,886	232,479	181,938	257,700	207,672	169,430	192,998	160,453	92,311
High School	227,629	371,349	283,158	221,599	345,436	278,376	196,296	233,268	262,409	359,446
Total School Facilities	1,051,568	1,273,753	971,253	760,102	1,026,733	827,411	898,584	828,635	847,855	926,149
Other Facilities	59,957	42,651	32,522	25,452	122,199	98,476	82,026	52,634	77,088	23,540
Grand Total	\$ 1,111,525	\$ 1,316,404	\$ 1,003,775	\$ 785,554	\$ 1,148,932	\$ 925,887	\$ 980,610	\$ 881,269	\$ 924,943	\$ 949,689

RAHWAY SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
NJSIG		
Property - Blanket Building & Contents	\$ 152,805,879	\$ 5,000
Comprehensive General Liability	31,000,000	
Comprehensive Auto Liability	31,000,000	
Comprehensive Crime Coverage (Employee Dishonesty)	500,000	5,000
Flood:		
Pool Aggregate	75,000,000	10,000
Pool Aggregate - Hazard Flood Zones (A)	25,000,000	Max. FEMA limits
Earthquake - Pool Aggregate	50,000,000	5,000
NJSIG		
Boiler and Machinery	100,000,000	25,000
Firemen's Fund		
Excess Liability	25,000,000	
NJSIG		
Worker's Compensation - Professional and Clerical (payroll)	41,814,940	
Worker's Compensation - Non-professional and Driver (payroll)	1,955,699	
Student Accident - GTL Insurance Company:		
All participants - Including Interscholarship Sports & Football	25,000	
Excess Student Accident - GTL Insurance Co.:		
All participants Including Interscholastic Sports & Football	5,000,000	
NJSIG		
Environmental Liability Each Loss	1,000,000	50,000
Environmental Liability Per Member Aggregate	2,000,000	
NJSIG		
School Board Legal Liability	31,000,000	15,000

Source: School District's records

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable President and Members
of the Board of Education
City of Rahway School District
County of Union
Rahway, New Jersey 07065

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of Rahway School District, in the County of Union, State of New Jersey (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 8, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rahway School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

SUPLEE, CLOONEY & COMPANY LLC

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we also noted other matters that we have reported to the District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated February 8, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we also noted other matters that we have reported to the District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated February 8, 2024.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the district's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the district's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

February 8, 2024



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB
CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
City of Rahway School District
County of Union
Rahway, New Jersey 07065

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited City of Rahway School District, County of Union, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

SUPLEE, CLOONEY & COMPANY LLC

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

SUPLEE, CLOONEY & COMPANY LLC

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings* as finding 2023-003. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Rahway's response to the noncompliance findings identified in our compliance audit described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings*. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

SUPLEE, CLOONEY & COMPANY LLC

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Robert W. Swisher
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 8, 2024

CITY OF BAHWAY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL AGENCY	FEDERAL AGENCY NUMBER	FEDERAL AGENCY TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2022	ADJUSTMENT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/PRIOR YEAR BALANCES	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2023	DUE TO GRANTEE
Enterprises Fund													
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Child Nutrition Cluster:													
Non-Cash Assistance (Commodities):													
National School Lunch - Food Distribution	10 555	221N304N1099	N/A	7/1/21-6/30/22	\$ 234,417.42	\$ 5,536.87		\$ 226,693.93	\$ (5,536.87)	\$	\$	\$ 8,870.57	
National School Lunch - Food Distribution	10 555	231N304N1199	N/A	7/1/22-6/30/23									
Cash Assistance:													
National School Breakfast Program	10 553	221N304N1099	N/A	7/1/21-6/30/22	224,821.88	(21,299.67)		21,299.67			(13,135.54)		
National School Breakfast Program	10 553	231N304N1199	N/A	7/1/22-6/30/23	152,817.49			152,817.49	(165,853.03)				
National School Lunch Program	10 555	221N304N1099	N/A	7/1/21-6/30/22	2,111,062.56	(190,890.44)		190,890.44					
National School Lunch Program	10 555	231N304N1099	N/A	7/1/22-6/30/23	1,320,661.73			1,320,661.73			(96,550.40)		
IHFKA - Performance Based Seamless Summer Option	10 555	231N304N1099	N/A	7/1/22-6/30/23	34,819.44			32,353.52	(34,819.44)		(2,465.92)		
COVID-Supply Chain Assistance Award	10 555	N/A	N/A	7/1/22-6/30/23	188,161.07			188,161.07	(175,481.91)			12,679.16	
Total Child Nutrition Cluster - U.S. Department of Agriculture					\$ (206,644.24)	\$		\$ 2,038,318.45	\$ (1,920,276.34)	\$	\$ (112,151.86)	\$ 21,549.73	\$
Total Enterprise Fund					\$ (206,644.24)	\$		\$ 2,038,318.45	\$ (1,920,276.34)	\$	\$ (112,151.86)	\$ 21,549.73	\$
Special Revenue Fund													
U.S. Department of Education													
Passed-through State Department of Education:													
ESEA -													
Title I Part A	84 010	S010A220030	ESEA-665023	7/1/22-6/30/23	\$ 878,422.00	\$		\$ 170,565.00	\$ (804,525.95)	\$	\$ (633,960.95)	\$	\$
Title I Part A	84 010	S010A210030	ESEA-665022	7/1/21-9/30/22	796,104.00	(485,492.33)	(839.67)	486,332.00					
Title I Part A	84 010	S010A220030	ESEA-665023	7/1/22-6/30/23	161,419.00			48,558.36	(63,080.97)		(14,522.61)		
Title I Part A	84 010	S010A210030	ESEA-665022	7/1/21-9/30/22	172,212.00	(30,386.64)		30,386.64					
Title II Part A	84 367A	S367A220029	ESEA-665023	7/1/22-6/30/23	249,437.00			101,614.00	(144,546.97)		(42,732.97)		
Title II Part A	84 367A	S367A210029	ESEA-665022	7/1/21-9/30/22	337,070.00	(66,575.43)	5,217.43	81,358.00					
Title III	84 365A	S365A220030	ESEA-665023	7/1/22-6/30/23	123,603.00			18,166.00	(47,464.60)		(29,298.60)		
Title III	84 365A	S365A210030	ESEA-665022	7/1/21-9/30/22	92,382.00	(16,448.07)	(3,167.93)	19,617.00					
Title IV	84 424	S424A220031	ESEA-665023	7/1/22-6/30/23	20,558.00	(5,465.00)		5,465.00			(15,735.50)		
Title IV	84 424	S424A210031	ESEA-665022	7/1/21-9/30/22	82,697.00	(56,247.88)		56,247.88					
Total ESEA -					\$ (680,946.35)	\$	1,209.83	\$ 1,030,453.00	\$ (1,087,265.11)	\$	\$ (736,250.63)	\$	\$

CITY OF RAINYWOOD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL AGENCY	FEDERAL PROGRAM TITLE	FEDERAL AL NUMBER	FEDERAL EAIN NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2022	ADJUSTMENT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/PRIOR YEAR BALANCES	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2023	
													UNEARNED REVENUE	DUE TO GRANTOR
I D E A Special Education Cluster.														
84.027A	ID E A - Part B - Basic	H027A210100		IDEA-4660-23	7/1/22-9/30/23	\$ 1,05,080.00	\$	\$	\$ 884,067.00	\$ (1,103,498.58)	\$	\$ (219,432.88)	\$	\$
84.027A	ID E A - Part B - Basic	H027A210100		IDEA-4660-22	7/1/21-9/30/22	1,074,498.00	(23,098.03)	719.03	22,370.00	(15,030.83)		(50.00)		
84.027X	ARP - Individuals with Disabilities - State Grant	H027X210100		IDEA-4660-23	7/1/21-9/30/22	206,497.00	(139,726.41)	0.24	154,707.00	(35,043.00)				
84.173A	ID E A - Part B - Preschool	H173A220114		IDEA-4660-23	7/1/22-9/30/23	35,043.00	(10,325.00)		35,043.00	(8,380.00)		(7,953.00)		
84.173A	ID E A - Part B - Preschool	H173A210114		IDEA-4660-22	7/1/21-9/30/22	30,723.00	(8,150.00)		10,325.00					
84.173X	ARP - Preschool Grants for Children with Disabilities	H173X210114		IDEA-4660-22	7/1/21-9/30/22	17,530.00	(8,150.00)		9,577.00					
Total I D E A Special Education Cluster														
							\$ (182,200.44)	\$ 719.27	\$ 1,116,089.00	\$ (1,161,953.41)	\$	\$ (227,435.59)	\$	\$
Elementary and Secondary School Emergency Relief (ESSER)														
Education Stabilization Fund														
84.425D	CARES Emergency Relief Grant	S425D20027		N/A	3/13/20-9/30/22	477,577.00		(8,183.00)	6,183.00			(1,062,666.05)		
84.425D	ESSER II	S425D210027		N/A	3/13/20-9/30/23	1,844,474.00	(329,188.38)		581,929.00	(1,315,408.67)		(29,528.09)		
84.425D	Learning Acceleration	S425D210027		N/A	3/13/20-9/30/23	118,369.00	(5,715.00)		62,430.00	(86,243.08)				
84.425D	Mental Health	S425D210027		N/A	3/13/20-9/30/23	45,000.00			4,500.00					
84.425U	ARP - ESSER III - Accelerated Learning Coach and Educator Support	S425U210027		N/A	3/13/20-9/30/24	4,146,337.00	(1,137,801.00)		1,508,801.00	(2,559,887.97)		(2,186,887.07)		
84.425U	ARP - ESSER III - Evidence Based Summer Learning and Enrichment	S425U210027		N/A	3/13/20-9/30/24	403,598.00			109,156.00	(197,846.61)		(86,659.61)		
84.425U	ARP - ESSER III - Evidence Based Comprehensive Beyond the School Day	S425U210027		N/A	3/13/20-9/30/24	40,000.00				(88,301.00)		(86,501.00)		
84.425U	ARP - ESSER III - NJTSS Mental Health Support Staffing	S425U210027		N/A	3/13/20-9/30/24	88,501.00								
84.425W	ARP - Emergency Relief Fund - Homeless Children and Youth	S425W210031		N/A	4/23/21-9/30/23	16,998.00	(16,998.00)		16,998.00					
Total ESSER														
							(1,489,702.38)	(6,183.00)	2,289,797.00	(4,252,183.44)		(3,458,271.82)		
ACERS Over 21 (SLFRF-DOE Special Education)														
21.027	Total Special Revenue Fund	SLFRFDOE19ES			7/1/22-6/30/23	133,736.00			133,735.00	(133,735.00)				
							\$ (2,352,841.17)	(4,253.50)	\$ 4,570,074.00	\$ (6,635,136.96)	\$	\$ (4,421,959.03)	\$	\$
Total Federal Financial Assistance														
							\$ (2,559,285.41)	(4,253.50)	\$ 6,892,142.82	\$ (8,641,463.67)	\$	\$ (4,534,109.89)	\$	\$ 21,549.73

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

CITY OF BAYVIEW SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022		CARRYOVER	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	UN-EARNED REVENUE (ACCURALS)	BALANCE AT JUNE 30, 2023 DUE TO GRANTOR	BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
				UN-EARNED REVENUE (ACCURALS)	GRANTOR								
General Fund:													
State Aid Cluster:													
Equization Aid	23-495-034-5120-078	\$ 30,857,152.00	7/1/22-6/30/23	\$	\$	\$	\$ 27,616,666.26	\$ (30,657,132.00)	\$ 3,040,263.71	\$	\$	\$ 3,040,263.71	\$ 30,857,152.00
Equization Aid	25-848-626.00	7/1/21-6/30/22					2,585,087.44						25,848,626.00
Special Education Aid	23-495-034-5120-078	2,263,445.00	7/1/22-6/30/23				2,036,979.46	(2,263,445.00)	224,465.54			224,465.54	2,263,445.00
Special Education Aid	23-495-034-5120-089	2,263,445.00	7/1/21-6/30/22				223,738.65						2,263,445.00
Security Aid	23-495-034-5120-084	1,032,364.00	7/1/22-6/30/23				929,884.60	(1,032,364.00)	102,379.40			102,379.40	1,032,364.00
Security Aid	22-495-034-5120-084	1,032,364.00	7/1/21-6/30/22				102,047.86						1,032,364.00
				\$ (2,690,673.95)	\$	\$ 33,476,706.30	\$ (33,952,841.00)	\$ 3,367,108.65	\$	\$	\$ 3,367,108.65	\$	\$ 33,476,706.30
Other-General Fund:													
Extraordinary Special Education Costs Aid	23-495-034-5120-044	947,338.00	7/1/22-6/30/23				1,321,324.00	(947,338.00)		(947,338.00)		947,338.00	947,338.00
Extraordinary Special Education Costs Aid	22-495-034-5120-044	1,321,324.00	7/1/21-6/30/22				825,539.65		90,881.35			90,881.35	1,321,324.00
Transportation Aid	23-495-034-5120-014	916,421.00	7/1/22-6/30/23				90,587.05	(916,421.00)					916,421.00
Transportation Aid	22-495-034-5120-014	53,664.00	7/1/21-6/30/22				47,560.00	(53,664.00)					53,664.00
Nonpublic Transportation Aid	23-495-034-5120-014	47,560.00	7/1/22-6/30/23				2,411,161.36	(2,435,026.05)		(123,864.69)		123,864.69	47,560.00
Nonpublic Transportation Aid	22-495-034-5120-014	2,655,026.05	7/1/21-6/30/22				118,786.29						2,440,701.89
Reimbursed TPAF Social Security Contributions	22-495-034-5095-003	2,440,701.89	7/1/21-6/30/22				4,195.00						4,195.00
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003	4,195.00	7/1/22-6/30/23				11,513,474.00	(11,513,474.00)				11,513,474.00	11,513,474.00
On-behalf TPAF long-term disability insurance	23-495-034-5094-002	11,513,474.00	7/1/22-6/30/23				159,736.00	(159,736.00)					159,736.00
On-behalf TPAF pension contributions	23-495-034-5094-002	159,736.00	7/1/22-6/30/23				3,066,524.00	(3,066,524.00)					3,066,524.00
On-behalf TPAF NCGI	23-495-034-5094-002	3,066,524.00	7/1/22-6/30/23				19,558,387.35	(19,186,378.05)	90,881.35	(1,671,202.69)		1,622,064.04	3,066,524.00
On-behalf TPAF post retirement medical	23-495-034-5094-001												23,822,934.94
				\$ (1,578,237.34)	\$	\$ 546.00	\$ 546.00	\$	\$	\$ 546.00	\$	\$	\$ 546.00
Special Revenue Fund:													
Nonpublic Technology Aid	23-100-034-5120-373	546.00	7/1/22-6/30/23				658.00	(168.00)				658.00	546.00
Nonpublic Technology Aid	22-100-034-5120-373	168.00	7/1/21-6/30/22				2,665.00	(240.00)					2,665.00
Nonpublic Textbook Aid	23-100-034-5120-064	240.00	7/1/22-6/30/23				1,456.00	(700.00)					1,456.00
Nonpublic Textbook Aid	22-100-034-5120-064	2,665.00	7/1/21-6/30/22				4,667,447.00	(4,461,590.67)		1,425,554.87		518,605.00	4,461,880.67
Nonpublic Security Aid	23-100-034-5120-509	700.00	7/1/22-6/30/23				490,046.00						490,046.00
Nonpublic Security Aid	22-100-034-5120-509	1,456.00	7/1/21-6/30/22				5,163,818.00	(4,463,346.67)	(1,556.00)	1,425,554.87		518,605.00	3,362,432.46
Nonpublic Nursing Aid	23-100-034-5120-070	448.00	7/1/22-6/30/23										448.00
Nonpublic Nursing Aid	22-100-034-5120-070	5,165,052.00	7/1/21-6/30/22										2,440,701.89
Preschool Education Aid	23-495-034-5120-086	4,908,460.00	7/1/21-6/30/22										4,195.00
				\$ 749,152.54	\$	\$	\$ 384,534.00	\$ (384,534.00)	\$	\$	\$	\$	\$ 384,534.00
				\$ 749,152.54	\$	\$	\$ 384,534.00	\$ (384,534.00)	\$	\$	\$	\$	\$ 384,534.00
Debt Service Fund:													
Debt Service Aid Type II - School Building Aid	23-495-034-5120-075	384,534.00	7/1/22-6/30/23										384,534.00
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 384,534.00
Enterprise Fund:													
National School Breakfast Program	23-100-010-3350-023	2,916.90	7/1/22-6/30/23				2,999.10	(2,916.90)		(217.60)		217.60	(2,916.90)
National School Lunch Program (State Share)	23-100-010-3350-023	47,381.14	7/1/22-6/30/23				43,824.96	(47,381.14)		(3,456.18)		3,456.18	(47,381.14)
National School Lunch Program (State Share)	22-100-010-3350-023	48,615.79	7/1/21-6/30/22				4,395.19						48,615.79
				\$ (4,393.10)	\$	\$	\$ 51,017.16	\$ (50,288.04)	\$	\$ (3,673.88)	\$	\$ 3,673.88	\$ (50,288.04)
				\$ (4,393.10)	\$	\$	\$ 51,017.16	\$ (50,288.04)	\$	\$ (3,673.88)	\$	\$ 3,673.88	\$ (50,288.04)
Capital Projects Fund:													
Securing Our Children's Future (Alyssa's Grant)	22-034-5120-688-001	212,332.00					138,274.00			17,798.16			165,240.70
							138,274.00			17,798.16			165,240.70
				\$ (125,415.84)	\$	\$	\$ 138,274.00	\$	\$	\$ 17,798.16	\$	\$	\$ 165,240.70
				\$ (125,415.84)	\$	\$	\$ 138,274.00	\$	\$	\$ 17,798.16	\$	\$	\$ 165,240.70
Total state financial assistance				\$ (3,844,787.69)	\$	\$ 58,753,176.81	\$ (58,047,697.67)	\$ 3,456,434.00	\$	\$ 384,476.36	\$	\$ 5,051,471.67	\$ 96,093,580.73
				\$ (3,844,787.69)	\$	\$ 58,753,176.81	\$ (58,047,697.67)	\$ 3,456,434.00	\$	\$ 384,476.36	\$	\$ 5,051,471.67	\$ 96,093,580.73

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

Less: On-behalf amounts not utilized for determination of major programs:
 On-behalf TPAF long-term disability insurance (11,513,474.00)
 On-behalf TPAF NCGI pension contributions (159,736.00)
 On-behalf TPAF post retirement medical (3,066,524.00)
 Total state financial assistance subject to single audit \$ 44,009,247.81

City of Rahway School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Rahway School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

City of Rahway School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$476,529.00) for the general fund and (\$1,646,365.23) for the special revenue fund and \$31,293.14 for the capital projects fund. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$285,750.37	\$53,149,319.05	\$53,435,069.42
Special Revenue Fund	6,635,136.96	4,483,347.57	11,118,484.53
Debt Service Fund		364,534.00	364,534.00
Food Service Fund	<u>1,920,276.34</u>	<u>50,298.04</u>	<u>1,970,574.38</u>
	\$8,841,163.67	\$58,047,498.66	\$66,888,662.33
GAAP Adjustment	<u>(1,340,876.31)</u>	<u>(750,725.68)</u>	<u>(2,091,601.99)</u>
Total Awards & Financial Assistance	<u>\$7,500,287.36</u>	<u>\$57,296,772.98</u>	<u>\$64,797,060.34</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits, and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2023.

City of Rahway School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Federal Uniform Guidance? | Yes |
| (4) | Identification of Federal State Program(s): | |

<u>Program</u>	<u>AL Number</u>
CARES-ESSER	84.425D,84.425U,84.425W
Child Nutrition Cluster	10.553/10.555

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under Federal Uniform Guidance? | Yes |

City of Rahway School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results (Continued)

State Program(s)

- (1) Internal Control Over Major State Programs:
- (c) Material weakness identified? No
- (d) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):
- | <u>Program</u> | <u>Grant Number</u> |
|-----------------------------------|---------------------|
| State Aid Cluster: | |
| Special Education Categorical Aid | 495-034-5120-089 |
| Security Aid | 495-034-5120-084 |
| Equalization Aid | 495-034-5120-078 |
- 5) Program Threshold Determination:
 Type A State Program Threshold > \$1,299,107.06
 Type B State Program Threshold <= \$1,299,107.06
- (6) Auditee qualified as a low-risk auditee under New Jersey OMB Circular 15-08? Yes

City of Rahway School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs

U.S. Department of Agriculture - Child Nutrition Cluster 10.553, 10.555

Finding FY2023-003:

Criteria

CFR Section 210.14 Resource Management net cash resources. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service.

Condition

The District's net cash resources exceeded 3 months average expenditures.

Context

Based on the net cash resources calculation, the District exceeded maximum net cash resources.

Cause

Prior year condition unchanged.

Effect or Potential Effect

The District is not in compliance with CFR 210.14.

Recommendation

That the District ensure that net cash resources does not exceed 3 months average expenditures.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

State Programs – None Reported

City of Rahway School District
Schedule of Prior Year Audit Findings

Not Applicable

